

Weekly Compilation of
**Presidential
Documents**



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Contents

Addresses and Remarks

See also Meetings With Foreign Leaders
Economic summit—1418
Independence Day celebration—1409
Mark Twain Memorial Lighthouse,
teleconference on rededication—1401
Presidential Scholars Awards presentation
ceremony—1397
Radio address—1399
Riga, Latvia—1427
Warsaw, Poland
Children's Memorial—1434
Polish Parliament—1431

Bill Signings

Federal Housing Administration legislation—
1422
Transportation legislation—1422

Communications to Congress

Cyprus, letter transmitting report—1435
Future free trade area negotiations, letter
transmitting report—1399

Communications to Federal Agencies

Assistance to Haitian refugees,
memorandum—1403

Interviews With the News Media

Exchanges with reporters
Riga, Latvia—1423
Warsaw, Poland—1428
Interviews
Foreign journalists—1404
Klaus Walther of ZDF German television—
1403

Polish media—1412

Tomasz Lis of Polish television—1410

News conferences

July 6 (No. 60) with Baltic leaders in Riga,
Latvia—1423

July 8 (No. 61) with Prime Minister
Murayama of Japan in Naples, Italy—
1435

July 8 (No. 62) in Naples, Italy—1438

Meetings With Foreign Leaders

Estonia, President Meri—1423
Japan, Prime Minister Murayama—1435
Latvia, President Ulmanis—1423, 1427
Lithuania, President Brazauskas—1423
Poland, President Walesa—1428, 1430

Statements by the President

See also Bill Signings
Alabama flooding—1446
Colorado fires—1446
Georgia flooding—1435, 1446
Radio Free Europe and Radio Liberty
headquarters relocation—1423
Senate action on health care reform
legislation—1402

Supplementary Materials

Acts approved by the President—1449
Checklist of White House press releases—
1448
Digest of other White House
announcements—1446
Nominations submitted to the Senate—1447

Editor's Note: The President was in Naples, Italy, on July 8, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

A semiannual index to issues 1-26 is being printed under separate cover and distributed separately.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, July 8, 1994

**Remarks at the Presidential Scholars
Awards Presentation Ceremony**

July 1, 1994

Thank you. Thank you, please be seated. Secretary Riley and Barbara Holt; members of the Commission on Presidential Scholars; most important, to all of you who have won these awards and to your family members, your teachers who are here, to your friends, I look forward to this event very much every year. And I am delighted to be here with you today and to look out at your faces and to imagine your futures. I don't see how anybody could be too concerned about the future of this great country, looking at you, reading your records, knowing what you have achieved.

Today, I also think we should reflect upon the God-given potential of all of our young people in this country and the importance that the rest of us must attach to providing the greatest education we possibly can, not only to those of you who have been outstanding always and who have won this extraordinary recognition but to all of the people in this society on whom the rest of us will depend to maintain America's leadership.

This administration has worked very hard to try to do everything we could to give the American people the tools they will need to go confidently into the 21st century. I have spoken a great deal since I have been President about the importance of family and community, of work and responsibility. These things have a great deal to do with your future and the future of America.

When I sought this office, I did it because I was concerned about the direction of our country, both economically and in terms of our community. I was afraid we were coming apart when we ought to be coming together. We seemed to be going in so many ways in the wrong direction. I had a strategy that was clear in my own mind for what we ought to do for the economy. I've been thinking a lot

about it because, as some of you know perhaps, I will be leaving on July 5th to go to Europe for a meeting of the G-7, the world's largest industrial countries. And as I think back over the last year and a half, I can go to this meeting with a great deal of pride.

We have 40 percent of the income of the world's largest industrial countries. But we've had 75 percent of the growth, created 100 percent of the new jobs. By cutting spending, by bringing our deficit down, by reducing the size of our Federal work force, by providing incentives for small business and working families, we've been able to create 3 million new jobs, reduce unemployment by 1.7 percent, have 3 years of deficit reduction for the first time since Harry Truman was President—none of you were born then—the last time America brought its deficit down 3 years in a row.

But if we do all those things, it still won't be enough unless we empower our people to make the most of their lives as we move toward the 21st century, a time when information will double rapidly every few years, a time when the average person will change jobs seven or eight times in a lifetime. The whole question is whether all these changes will be friendly to most Americans or terribly, terribly threatening.

Indeed, one of the main reasons I have fought as hard as I have for guaranteed health coverage for all Americans is that that will make our families more secure in the face of all these changes. But in the end, how well we do will be determined by how well we educate our people and, in the end, how well our people are capable of reeducating themselves. That's what Goals 2000 is all about. That's what the school-to-work transition bill is all about. And now today it has been announced what the consequences and the mechanisms will be for reordering the student loan program, something that was very important to me when I ran for President.

I'd like to talk a little bit about that. I became very concerned when I was a Governor about the number of young people in my State who would go to school and drop out not for academic reasons but for financial reasons and the number of young people who said that they could no longer go to college because, believe it or not, in the 1980's the cost of a college education was just about the only really important thing that increased even more rapidly than the cost of health care.

And so, we began to look at what options were available for opening the doors of college to all Americans. And one of the things that became clear to me is that the student loan program cost too much and the repayment terms were too stiff for a lot of our younger people, particularly if they wanted to go into work which might be immensely rewarding, terribly valuable to our society, but not particularly rich in terms of the salaries that were paid.

So we decided to change the way the college loan program worked and to go to something called direct lending. The Secretary of Education had primary responsibility for figuring out how we would do that. Our new program means lower interest rates for college loans, lower fees, and much better repayment terms with the option for young people to string out their repayment over several years and to pay loans back based on a percentage of what they earn after they get out of college, not simply based on how much they had to borrow to afford the education that they got.

It also means \$4.3 billion in savings for taxpayers. During this first year we're going to make \$1 billion in direct loans at over 100 institutions of higher education. We've also designed the program so that 20 million young Americans who took out \$50 billion in loans under the old system can switch to the new system. That is, if they want to pay back their loans at a lower interest rate over a longer period of time based on how much money they're making rather than how much they borrowed, they'll be able to do that.

Well, we're going to lay out the details of how this will work in the next couple of weeks. But the point I want to make is this. It's a great thing when gifted young people

can have ample scholarships to go to college. But we now know that we need 100 percent of our young people to finish high school and to get at least 2 years of further education if they're going to have a good chance to land a productive job with growing income prospects, not shrinking income prospects.

And we also know that in every wealthy country in the world—this is something you'll have to worry more about than I have, when you're my age—there is a diversion in income. In other words, there is a widening gap between the wealthy and the poor within the wealthy countries. We know of no other way at this time to turn that around, other than to dramatically increase the education and skill levels of all of our people. Education is the great equalizer. It will change the job mix in America.

So, I congratulate you here. I ask you to maintain your personal commitment to giving this country the kind of education system it needs to guarantee that every young American will be able to live up to the fullest of his or her God-given capacities and be able to have the tools needed to guarantee the security and the strength of our middle class way of life well into the next century.

I also want to say one last thing in closing. This is a celebration not only of academic achievement but of creative ability and concern for others. Perhaps the signature program of this administration, when the history of our time here is written, will be the AmeriCorps program, the national service program, sort of a domestic Peace Corps, that this year will involve 20,000 young Americans working in community service and earning money against their further education. And the year after next, if we can just keep the funding up, we'll have 100,000 young Americans doing that, revolutionizing life at the grassroots level. To give you an idea, the equivalent of that in my time was the Peace Corps, which President Kennedy launched and which captured the imagination of every American. But there were never more than 16,000 young Americans in the Peace Corps in any given year. And we'll have 100,000 year after next. Why? Because learning is important, but giving is important as well.

I want to recognize, if I might, just one of the scholars who's here. We could recognize many. But I wanted to mention one, not because she deserves to be mentioned over the rest of you but because everybody here and everyone within the sound of my voice needs to get the flavor of the extraordinary quality and character of the young men and women we honor today. Jessica Luterman, of Staples High School in Westport, Connecticut, organized a portable art therapy program for geriatric patients called Art On Wheels, which is now permanent. She did this while being an all-State athlete, a member of the All-USA Academic First Team, serving on the boards of her YWCA and the United Way. That's what we need more of in America. Stand up, Jessica. Where are you? Stand up. Give her a hand. *[Applause]*

Like I said, if you all would just remember what got you here today and commit yourselves to trying to communicate that to the rest of this country, our future is in good hands.

Congratulations, and God bless you all.

NOTE: The President spoke at 3:11 p.m. on the South Lawn at the White House. In his remarks, he referred to Barbara Holt, Acting Chair of the White House Commission on Presidential Scholars. This item was not received in time for publication in the appropriate issue.

Letter to Congressional Leaders Transmitting the Report on Future Free Trade Area Negotiations

July 1, 1994

Dear Mr. Chairman:

In accordance with section 108(b)(4) of the North American Free Trade Agreement Implementation Act (Public Law 103-182; 107 Stat. 2067), I transmit herewith the report containing recommendations on future free trade area negotiations.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Daniel Patrick Moynihan, chairman, Senate Committee on Finance, and Sam Gibbons, acting chairman, House Ways and Means Committee. This letter was not received in time for publication in the appropriate issue.

The President's Radio Address

July 2, 1994

Good morning. On Monday, July 4th, we celebrate America's birth. Two hundred-eighteen years ago, our Founding Fathers pledged their lives, their fortunes, and their sacred honor to the untested idea of liberty, equality, and democracy.

Those ideas have survived and thrived because they're at the heart of the only system of government we know that produces wisdom from debate and consensus from division. Indeed right now, we're seeing how our democratic process can produce results that constantly renew the pledges of our Founders, and we're making substantial progress.

I sought the Presidency because our economy was in trouble and because our Government wasn't working. We put in place an economic plan designed to restore the middle class and guarantee growth and jobs by cutting over \$250 billion in spending; reducing over 250,000 Government positions; offering tax cuts to 15 million working families, 90 percent of our small businesses, and increases to about 1.5 percent of our people to ask them to help pay down the deficit.

The result has been a remarkable recovery: 3 million jobs, a 1.7 percent drop in unemployment, 3 years of deficit reduction in a row for the first time since Harry Truman was President of the United States. But the agenda for change requires more. It requires us to empower the people of the United States to do well in a world filled with change and competition.

That's at the heart of the crime bill we're about to pass in Congress that will put 100,000 police officers on the street, enact a law that says, "Three strikes and you're out," ban assault weapons that go with the Brady bill, and at the heart of our efforts, to reform the college loan program to make interest rates lower and repayment terms better so that no young person will ever not go to college because of the cost of a college education. We're going to make 20 million young college graduates eligible for these better repayment terms and issue \$1 billion of college loans next year under the better terms.

And we're on our way to providing the security of health care to keep all our families whole and give Americans the confidence and security they need to compete and win in a changing world. This is especially important now, when 81 million of us live in families with preexisting conditions, people who could lose their health insurance when they change their jobs. And we know the average American will now change jobs seven or eight times in a lifetime.

The real choices on health care reform facing the Congress are becoming quite clear. For many, many months now, I have been fighting for private insurance coverage—not a Government program—for all Americans, along with provisions to make health care affordable to small business, to farmers, to the families with preexisting conditions. Interest groups and Members of Congress in the other party have criticized my plan, while many of them have said that they, too, are for full coverage for all Americans, but they offer no alternative to guarantee it.

Now, I have been working on our plan to make it even less regulatory and more friendly to small business, to guarantee that no one would lose any benefits because of the plan's requirements.

Finally, after months of criticizing our plan, the Republican leader, Senator Bob Dole, has finally proposed an alternative. Unlike our proposal, his idea of reform is really more politics as usual. It gives a little help to the poor, it's paid for by cuts in Medicare to the elderly, it requires no contribution from the interest groups that are making a great deal of money out of the health care system now and no contribution from those who are not paying anything now into the system, and it gives absolutely no help and security to the middle class, to small businesses and no guarantee of coverage to anyone. Estimates are that more than a million Americans would continue to lose their health insurance every month under this plan, most of them from hard-working, middle class families. It will help you a little bit if you're poor. It won't affect you if you're wealthy. But if you're in the middle, you can still lose your health insurance, and if you don't have it, it won't do much to help you.

One aspect of the Dole plan is particularly disturbing. It was brought home to me this week when small business people from all over America came to the White House and urged us to reject this approach. They don't want any plan that will make it harder to do right by their workers. The Dole alternative leaves small businesses at the mercy of insurance companies who can still charge them more than big businesses or Government. And small businesses that do offer insurance will continue to pay much higher rates, because they'll have to give a free ride to their competitors who don't make any effort at all.

Now, more than 620,000 small businesses have joined together to support the idea that we ought to have full coverage, universal coverage, for all Americans and one that requires the employers and the employees to contribute to that coverage. They know that without guaranteed private insurance for every American, small businesses that do cover their employees will have a harder time competing here at home and across the world.

There's simply too much at stake as we try to prepare our citizens to take advantage of our global opportunities. We can't continue to handicap ourselves in that way. And not only that, it simply won't work. We know from the experience in some States that if you try to reform insurance practices and you don't do anything to help small business and individuals, what will happen is that more and more people will give up their coverage because it will get more and more expensive.

For the last 50 years, our country has come close to health care reform a time or two, but we failed every time. Congressman Sam Gejdenson of Connecticut said this week that during that 50 years, our country has gone from the propeller to the jet airplane, from adding machines to computers, from the radio to virtual reality, but our health care system has actually gone backward in guaranteeing security to middle class families. That's right. In the 1980's, about 87 percent of our people had guaranteed health insurance. Now, only 83 percent of our people are covered.

That's why the vast majority of Americans agree that universal coverage must be our goal. This time we have to move forward.

In health care as in crime and education, our democracy is producing solutions that hold fast to our time-honored values, building on what has always been our greatest strength: people helping one another to take responsibility for themselves and their families, their communities, and their countries.

On July 4th, we'll celebrate with family and friends at picnics and parades. But if you find a quiet moment, I hope you'll reflect on the lessons of our history and make this promise to yourself: to do the best you can to be a good American, to rebuild the safety of our communities, the sanctity of our families, the strength of our schools, the vitality of our economy.

The best way to celebrate our freedoms is by renewing our democracy. We're trying to do that here in Washington by facing up to our responsibilities. I hope you'll urge us to do that as well.

Thanks for listening, and best wishes for a wonderful holiday.

NOTE: The address was recorded at 7:02 p.m. on July 1 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on July 2.

Teleconference on Rededication of the Mark Twain Memorial Lighthouse at Hannibal, Missouri July 2, 1994

Representative Harold Volkmer. Mr. President?

The President. Harold, how are you?

Representative Volkmer. Just fine, Mr. President. Thank you very much.

The President. It's great to hear your voice.

Representative Volkmer. It's great to be here. Can everybody hear me? Can you hear the President?

Okay, Mr. President, we've got a nice crowd here, and we're getting ready to light this lighthouse in memory and to remember Mark Twain, on behalf of Mark Twain, our favorite son.

The President. Let me say, first of all, I'm glad to be back in Hannibal again, at least by telephone. I had a wonderful, wonderful visit there.

Representative Volkmer. Yes, we well remember, and we're almost in the very same spot that you were in at that time, just a little bit up the street, not very far.

The President. Well, I'm a great admirer of Mark Twain, and I read him as a boy and read him as an adult. So I'm very happy to be part of it. And I know that President Roosevelt in 1935 and President Kennedy in 1963 also played a role in this memorial lighthouse. So I'm glad to be a part of that history of your community. And I'm also glad to be back with all the enthusiastic people who live there. I remember them so well, and I want to congratulate you and the citizens of Hannibal and Marion County and also the Missouri Department of Natural Resources for all the work you've done to restore the lighthouse. It really symbolizes the community and your vision and the great history of Mark Twain.

[Representative Volkmer thanked the President and wished him a happy Fourth of July.]

The President. I'm really glad to be here. My family and I are up in Camp David, and we're having a wonderful time and looking forward to celebrating our Nation's birthday and watching our soccer team play. But I'm really glad I got to do this. I love Hannibal. I think it's one of the greatest places I've been. And as I said, it's captured my imagination ever since I was a little boy. So I'm delighted to be a part of this.

[Representative Volkmer invited the President to visit Hannibal, MO.]

The President. Are you going to light the candle, is that what you're going to do? Everybody going to light a candle?

Representative Volkmer. Well, we're ready. I'd like to—for you to, if you have—

The President. I've got it.

[Representative Volkmer introduced Karol Mueller, director of the Main Street Program.]

Karol Mueller. Hello.

The President. Hello, Karol. Congratulations on all the work you've done. You're the director of the Main Street Program, aren't you?

Ms. Mueller. I am—

The President. I love that program. And I tell you, you've done a wonderful job there.

Ms. Mueller. Well, thank you. I wish I could take all the credit, but I can't. It's truly a community effort. We have a great crew behind us, a great Main Street Program, and great architects, and we've done it together.

The President. Good for you. Well, I'm glad to be a part of it. And I'm really glad that Congressman Volkmer gave me a chance to call in tonight.

Ms. Mueller. Well, we sure appreciate his assistance on this project as well.

The President. Thank you.

Ms. Mueller. Are we ready to light it?

The President. Are you ready? I've got a candle here.

Ms. Mueller. Okay, I'm going to hand you back to Congressman Volkmer.

Representative Volkmer. All right, Mr. President.

The President. You'll have to visualize my candle, folks, but I've got one here.

[Representative Volkmer described the ceremony and stated that Mayor Richard Schwartz of Hannibal, MO, was participating in the program.]

The President. I remember the Mayor well, yes.

[Representative Volkmer stated that Henry Sweets, curator of the Mark Twain Home and Museum, was participating in the event. Representative Volkmer also explained that his wife, Shirley, and their grandchildren were there.]

The President. That's good. Well, tell Shirley and your grandchildren hello. I know it's good to have them there for the Fourth of July.

Representative Volkmer. Yes, it is. The grandchildren jumped frogs this morning, and they're going to be in a parade come Monday.

The President. They jumped frogs, is that—

Representative Volkmer. Oh yes. Yes, we have a frog-jumping contest.

The President. I used to be in one of those every year.

Representative Volkmer. Is that right?

The President. Yes, we've got a ferry about 30 miles from Little Rock, in Arkansas, called Toad Suck Ferry. And every year we had a Toad Suck Day, and we all raced our frogs.

Representative Volkmer. Very good.

The President. I never won, but I always loved it. I competed every year, but I never won.

Representative Volkmer. All right, they're ready to go.

The President. We're ready.

Representative Volkmer. Anytime you're ready to light, we're ready to light.

The President. I have just lit my candle.

Representative Volkmer. Very good. Let's see if it works.

The President. I've always believed it was better to light a candle than curse the darkness. Now, the whole town of Hannibal's done the same thing.

Representative Volkmer. Yes, that's right, and we're all waiting, and it's coming closer, and it's coming closer—there's one more. The switch should go—ahh, there it is.

The President. Good for you.

Representative Volkmer. All right, there it is, Mr. President. Thank you very, very much, Mr. President. Tell Hillary hello for us.

The President. I'll do it. Thank you, Congressman.

Representative Volkmer. And you all have a real nice Fourth.

The President. Tell everybody hello. Thank you, and God bless you.

Representative Volkmer. Thank you very much.

The President. Goodbye.

NOTE: The teleconference began at 10:45 p.m. The President spoke from Camp David, MD.

Statement on Senate Action on Health Care Reform Legislation July 2, 1994

The action of the Senate Finance Committee today moves health care reform another step closer to final passage.

Chairman Moynihan has worked diligently to make sure his committee produced a bill

to debate on the Senate floor. His commitment to universal coverage has been clear throughout this process, and I look forward to his continued leadership as we move toward guaranteed health coverage for every American.

I remain firmly committed to guaranteed health coverage for every American that can never be taken away. We must achieve universal coverage if we are to reform our health care system and assure hard-working, middle class Americans that they will have health care when they need it. I am confident that we will achieve the goal of guaranteed coverage for everyone this year, and I look forward to the debate in the full House and Senate.

Memorandum on Assistance to Haitian Refugees

July 2, 1994

Presidential Determination No. 94-31

Memorandum for the Secretary of State

Subject: Determination Pursuant to Section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as Amended

Pursuant to section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as amended, 22 U.S.C. 2601(c)(1), I hereby determine that it is important to the national interest that \$7,000,000 be made available from the U.S. Emergency Refugee and Migration Assistance Fund to meet the urgent and unexpected needs of Haitian migrants. These funds are to be used for refugee processing, repatriation, resettlement, and assistance activities as well as related Department of State administrative expenses. A part of the funds may be contributed bilaterally to the governments in whose countries related operations are being conducted. These funds may be contributed to foreign governments, international organizations, governmental, and nongovernmental agencies.

You are authorized and directed to inform the appropriate committees of the Congress of this determination and the obligation of

funds under this authority and to publish this memorandum in the *Federal Register*.

William J. Clinton

Interview With Klaus Walther of ZDF German Television

July 1, 1994

World Cup Soccer

Mr. Walther. Mr. President, let us change the subject. Mr. President, first time in the history of World Cup, soccer's World Cup is played in the United States.

The President. Yes.

Mr. Walther. And on the Fourth of July there will be the game U.S.A. versus Brazil. What does it mean for you personally, to have this game on the Fourth of July?

The President. It's very exciting and I think very appropriate. We'll play on the Fourth of July against, obviously, a magnificent Brazilian team. Soccer is just really beginning to catch hold in the U.S. and to capture the public imagination. Our children have been playing it in larger and larger numbers.

Mr. Walther. ———your daughter.

The President. And my daughter did, yes. Probably for about 10 years now, our children have been beginning to really play in large numbers. And I think that will have an impact as those children grow up, more and more soccer at the university level, more and more professional soccer. I think that and the World Cup being in the United States are the two things that will make soccer perhaps as big a sport in the U.S. as it is in Europe and other parts of the World.

Mr. Walther. Will you watch the game?

The President. Oh, yes, I expect I will. We've been watching every game we could on television. And of course, I went with Chancellor Kohl and the President of Bolivia to the opening game between Germany and Bolivia in Chicago the other day. And I got a little lesson in soccer; both Presidents were whispering in my ear a little bit. [*Laughter*]

Mr. Walther. So who's your favorite for the championship?

The President. Well, I have to be for the United States, until we're eliminated. Besides that, we're an underdog. And I like that,

since I've always been kind of an underdog, I like it when the underdogs do well. I'm proud of us.

Mr. Walther. Thank you very much.

The President. Thank you.

NOTE: The interview began at 12:20 p.m. in the Oval Office at the White House. This is a continuation of an interview that was released by the Office of the Press Secretary on July 1 and published in last week's issue. This portion of the interview was embargoed for release by the Office of the Press Secretary until July 4.

Interview With Foreign Journalists

July 1, 1994

Italian Government

Q. The first question, obviously, is about Italy. You were in Italy a few weeks ago. I saw you on the Campidoglio with your wife, a beautiful evening. And you spoke with the new Prime Minister, Mr. Berlusconi. So my question is, how is your sense about Mr. Berlusconi and his policy and the implementation of his policy—the first new government in Italy?

The President. Well, my sense was that he had given a lot of thought to what he wished to do and that he was bringing a great deal of energy to the task and that he was determined to pursue a course of economic revival for Italy and to maintain a strong democratic tradition and that, in terms of our relationships, that the traditional strong relationship between the United States and Italy would be maintained vigorously. That was my impression.

Bosnia Negotiations

Q. May I follow up with a question that connects to Italy very quickly? It's Yugoslavia. We are in the front line. And one of the first requests of the government of Italy, Mr. Berlusconi's government, was to let Italy get in the contact group that's working in Geneva. Do you think this request will be evaluated, accepted, on what?

The President. I don't know. Let me say first, I think that Italy should be very closely consulted about all developments in Bosnia and in the former Yugoslavia. I think the question the contact group has to face is, how

many more people could be let in? In other words, if the membership were expanded, would every country that has troops there—Canada has troops there, would they have to go into the contact group? Would other countries that border the former Yugoslavia and have intense interests there—Turkey is sending troops there—have to be put into the contact group? Or is there some other way to involve Italy closely in the policy-making without doing that? That I think is the question.

Q. Thank you.

Canada-U.S. Trade

Q. Excuse a parochial question, but as you know, we've had two trade agreements in the last couple of years between Canada and the United States. And yet, our trade problems seem to be deteriorating, if anything, over softwood lumber and wheat and now Pacific salmon, so much so, that our Trade Minister, Roy MacLaren, has warned of a trade show between our two countries. And even your Ambassador to Ottawa has criticized U.S. actions on wheat. Do you think the time has come for you to become personally involved on this issue before it deteriorates much further? Or is the U.S. view that Canada is an unfair trader?

The President. Well, I think that's not the only two options. First of all, keep in mind, this is the biggest bilateral trading relationship in the world, as far as I know. It's certainly our biggest trading relationship. It's a huge, huge relationship. And in one that big, it should not be surprising that there would be some frictions from time to time.

In all three areas that you mentioned, you have people engaged in the same economic activity, living very close to each other under different government policies and frameworks. That's true with lumber, that's true with wheat, and it's true with salmon.

Now, our problem with the whole salmon issue, of course, is complicated by the whole question of the size of the population and what the future of it is. And I think there are—I really believe there are ways for us to work that out. I believe that problem will be worked out. And I have talked to our people about it; I think we're all working very hard on that.

The timber disputes are of longstanding and recur from time to time, as you know.

Q. Eight years, I think.

The President. And I think—I think we have to let that one play out through the regular course of events.

With regard to the wheat issue, I think the question there—it's been referred for dispute resolution, and the ordinary process may resolve it. The real problem there is that the U.S. and Canada need to agree somehow on what does or doesn't constitute a subsidy. I think we need some general agreements that might solve the wheat problem and some other problems as well.

But I think it's important that we not over-react to this. It's a very big issue here. I mean, our wheat farmers in North Dakota are on the verge of hysteria all the time. They think they've been treated unfairly. And in Congress, there are Representatives from certain States for whom this is the only issue because they think they've been treated unfairly. So I'm trying to work it out. We don't have any bilateral relationship where we have more in common and where we tend to work more together. I mean, Prime Minister Chrétien has worked with me very closely, and the Canadian Government has always worked with the American Government on everything from issues in the U.N., with problems in Haiti, our policy toward NATO, the whole range of issues. And as far as I know, these are the only three disputes we have, and we're trying to work through them as best we can.

Decline of the Dollar

Q. Mr. President, the dollar has known quite a rough ride on the currency markets these recent weeks, giving the impression that your Government didn't want to do anything about it. Do you think a weak dollar is good for the American economy, maybe for trade purposes? And if not, do you intend to do or say anything about it? And do you expect the G-7 meeting to take some resolution about that?

The President. I expect it will be discussed. But let me answer the question. No, I don't think it's good for the American economy to have—or let me put it in a more affirmative way. The United States is not trying

to grow its economy on a weak dollar. We do not believe a country can devalue itself into prosperity.

On the other hand, these currency markets are subject to significant fluctuations. And great care should be taken before unusual actions are taken, it seems to me. And it is, I think, in the end, over the longrun, the markets tend to align with market realities.

When I became President, we had been exploding our Government deficits for 12 years. Investment was down; job growth was down. And we decided to change our policy so that the American economy would be stronger in the global economy and so that ordinary Americans would be better off. We have cut hundreds of billions of dollars in Government spending. We have slashed our—we are slashing our work force in the Government by about 12.5 percent, to make it the smallest it has been in three decades. We are targeting investments to areas of economic growth, like education and training and technology. And we have given certain tax incentives to small businesses, new businesses, lower wage workers.

The impact of all this has been that, as I leave for the G-7, in the last year and a half, the U.S. has 40 percent of the GDP of the G-7. But we've had 75 percent of the growth and almost 100 percent of the new jobs. Our exports and our rate of investment are growing higher—more than the average in the G-7. Our rate of productivity is growing more than the average of the G-7 countries.

So I believe the best answer to this over the longrun is a strong American economy. Transitory political developments in various countries may explain what's going on. There may be a lot of other explanations. But the main thing is, I do not wish—I don't take the weakness of the dollar lightly against any currency. I do not want the dollar to be too low. I am not trying to expand the American economy through a low dollar. No country has ever devaluated itself into prosperity. The United States wants to grow into prosperity, to trade into prosperity, not to devalue itself into prosperity.

German Leadership

Q. Mr. President, you're also going to Germany after the G-7 summit. And Germany is more or less emerging as perhaps the European leader. And on the other hand, a lot of Germans are very reluctant to claim this role for their country. What is your wish and your perception of Germany in the future? Will it be the European leader? And would you be prepared to offer a partnership in leadership as your predecessor, President Bush, did?

The President. Well, I think we do have a very good partnership with Germany. Mr. Bitterlich was quoted in the Wall Street Journal today about the strong support our administration had given, stronger than previous ones, to European unity and to the European defense capacity and to greater strength and unity within Europe. Germany has strongly supported that.

Of course, it's up to the German people and to the leaders of Germany to determine what role will be played and then up to the partners that you have within Europe. But I think that Germany has a major role to play in the future in world affairs, has a strong role to play in Europe.

I support what I take to be the policy of Germany, which is support for increasing European integration and increasing efforts to reach out to the East. And I feel very comfortable with that.

Q. But you're not really into endorsing partnership in leadership, do you?

The President. As I already told you, Mr. Bitterlich said that we had a better partnership than you had before. So, you have to define what your role is going to be. It's not up to the United States. I don't see how Germany can walk away from a leadership role. You have the third biggest economy in the world. You have a huge population. You have absorbed the East, and you've managed to keep your economy strong, with all the incredible demands. You've played a very constructive role in a lot of United Nations activities.

So, I think you have no choice but to play a leadership role. It isn't an option. You've been by far more generous than any other country in investing to your east. I think that it's not even an option to talk about a world

in which Germany doesn't play a leadership role. You can't withdraw from your responsibilities. Even if you sought to, the vacuum that would be created would require you to move ahead again.

But the point I want to make is exactly how these relationships will be—will work themselves out in Europe, for example, is a matter for the Europeans to determine. France has, for example, recently has played a very strong role along with Britain in Bosnia, providing the bulk of the UNPROFOR troops. Canadians have made a major contribution. France recently took the initiative to go to Rwanda, and the United States supported the United Nations giving an approval for France to send troops there to do that until we could put together an African force, that is, a U.N. force.

I think that there will be many variations of leadership in the years ahead. But one thing that I am sure of is that the size of the German economy and the values that have been demonstrated by the German leadership guarantee that there will be a leadership role for Germany and that it will be a positive thing for the rest of Europe and for the world.

Japan-U.S. Relations

Q. The relationship between the United States and Japan is facing a little bit of difficulty. Trade conflict has caused turmoil of the currency market, and so-called framework talks have restarted but have not reached any agreement yet. Under those circumstances, Mr. Murayama, Socialist leader, was elected Japan's next Prime Minister, and you are going to meet him for the first time in Naples. Mr. President, how are you going to manage with Japan's new government and reestablish a good relationship of both countries?

The President. I had a good talk with him last night. I called him last night. And we had a very good visit. We reaffirmed our commitment to our relationship, our security partnership, our political partnership, and our economic partnership. And Mr. Murayama said that he hoped we could continue to make progress in the frameworks. If we'd both make our best efforts, he thought we could.

It is difficult, I think, to expect to have too high expectations for what has happened in the last several months because of all the political changes which have occurred within Japan. But I think we have continued to work along together. I think the important thing I would say—it's sort of like the argument I made to the gentleman from Canada. If you look at the relationship the United States and Japan—our troops are still there. Our military partnership is very strong. We worked as one to try to defuse the crisis in North Korea with regard to the North Korean nuclear program. I did everything I could to make sure that every step along the way, everything I did was coordinated closely with not just South Korea but also with Japan. Because of that and because—to get to the next question—our continuing strengthening relationship with Russia. We had good relationships with Russia during this period. We were able to reach out to the Chinese. But it worked because of the historic ties we have had.

So again, I would say that it's very important not to let trade disputes or any other disputes that are inevitable in a world where the economy has been growing slowly and where competition is stiff and where we have not yet solved the problem of how wealthy countries promote growth and new jobs in a highly competitive global economy, these things are going to happen from time to time. The important thing is to be able to absorb them and just deal with them in a disciplined and regular way and not let the other aspects of the relationship get out of hand.

And that's what I hope will happen. I mean, the United States and Japan have had some serious differences over trade. But they haven't interrupted rather an enormous bilateral investment and trade relationship and a deep political partnership. I think the Emperor and Empress, on their recent trip here, were deeply moved by the friendship and the intensity of the friendship for them and for the Japanese people that were demonstrated by the Americans. So I think the feeling in this country about Japan is as strong and as positive as it has ever been.

And you know, you're going through a period of political change. You have to work that out. That's what democracies do from

time to time. Nothing is ever stable forever. You know, things change. And so, as that—the whole yen-dollar relationship may be in part a product of the perception that maybe things won't change quickly enough because of political conditions. But I think what we have to do is to reassure people that you've got two strong economies here, that these things will work themselves out if we just have the discipline to do it.

Central and Eastern Europe

Q. Mr. President, your first stop will be in Riga, and it's going to be a real and joyful celebration of independence. Many Latvians, as well as many Russians, were humiliated by the—[inaudible]. And we are really happy that these countries are now independent. The real, very hard question among the former Soviet people—recent developments show and especially the Presidential races in Ukraine and Belarus show—a lot of people stand for much closer cooperation with Russia. So can you, sir, envision any kind of democratic and legal reunification of some of the former Soviet republics—newly independent states—without causing a threat to Central European countries, to Baltic countries, to Europe, to national interests of the United States and all of the world? Thank you.

The President. I think that that depends upon whether such decisions would be made really voluntarily and by will of a majority of the people. That is, I sense, particularly—and I've been to Belarus, so I have a feeling for that. I've also been to Ukraine, but I've not spent as much time. It's a very large country, and there are many different layers and opinions there. But I think that it depends upon whether such movements would develop out of a genuine democratic movement and a free will of the people involved.

I have to say that, from my point of view, the policies that President Yeltsin has pursued in the Baltics are very reassuring. As you know, the Russian troops have withdrawn from Lithuania, that we're very close to resolving the final matters in Latvia. There are still a few issues left in Estonia. The United States strongly supports the protection of Russians who remain in the Baltics and the whole issue of minority rights. It's a very big

issue for us and our country and throughout the world.

But I think the feeling in Central and Eastern Europe about the intentions of Russia is probably more positive now than it was even 6 months ago. And the steadfastness of Russia in continuing to move its troops out of the Baltics is a major part of that. So that if there is a truly independent political development in Belarus, for example, that says, you know, we think we'd be better off if we had some sort of different relationship with Russia, that, I think, will depend on what actually happens. I mean, the people of Central and Eastern Europe will know if some new development occurs. I think they will know in their hearts and minds whether it was a grassroots, honest, democratic impulse. And that will be the test.

European Unification

Q. Mr. President, the British Government finds itself once again in a familiar position in Europe, i.e. in a minority of one, on the issue of vetoing the new candidate to head the European Commission. When you talked earlier about your desire for European integration, is that the same thing as supporting a federal Europe along the lines proposed by the Germans and the Belgians and the French? And do you think the British are being unnecessarily skeptical about the creation of a federal European state?

The President. I don't know that I have an informed opinion about that. I mean, I think that, again, I think that each of you are sovereign nations, and you will have to make up your mind about what you think is in your national interest. It is my—the only thing I can tell you is that the United States has viewed as in its national interest an economically integrated but open Europe. That is, the fact that Europe would become stronger and more economically integrated, not only through the European Union but also reaching out to the East, we have not viewed as threatening. We have viewed that as positive, because I think that we have to find ways to add wealth to the world's economies every year, to add to the growth rate.

We also have not viewed with alarm, at least in my administration, the prospect that there could be greater European security co-

operation between the French and the Germans and between others as well. But we are willing to continue to be partners through NATO.

Now, how far you should go with your political integration is just a decision you will have to make. And we don't have views about that one way or the other except to say we are not threatened that you wish to be closer together in economic or military or political ways. That doesn't threaten the United States. We feel a stronger Europe makes for a more democratic and a stronger world. But you will have to make up your mind about the politics of it. It's not for us to say whether you're right or wrong. It's for you to say.

North Korea

Q. Mr. President, you are going to start high-level talks with North Korea. Which do you prefer, the normalization of the relationship of both countries or the solution of nuclear suspicion, I mean especially—to which do you put—[inaudible]—weight, the so-called past suspicion or the current and future suspicion of North Korea?

The President. You mean with regard to the nuclear issue?

Q. Yes.

The President. Well, it's not so easy to divide them, because of the obligations North Korea undertook in becoming a member of the Non-Proliferation Treaty regime, because that means that North Korea has to be open to inspection by the IAEA for all its facilities from the day that it became a member, forward. I mean, if you asked me, am I more concerned about whether North Korea has one or two nuclear weapons or the capacity to make them now or whether they might make two dozen in the future, that's an easy question to answer. I'm more concerned about two dozen than I am one or two.

But in the—when you become a member of one of these international organizations and you assume the responsibilities of membership, then you have to honor those responsibilities. In terms of reunification and normalization of relations, all those things, those things will have to be worked out partly between the north and the south, and I am elated that they are going to meet. I think

that's a good thing, the leaders of the two countries.

But we will begin our discussions first on July 8th. And what we hope to do is to find ways to broaden this debate because really what this is about is, even more than the nuclear weapons, is what role will North Korea assume in the future? What is the vision of the leaders of North Korea for that nation at the turn of the century or 20 years from now? Should it be an isolated country that makes money from selling No Dong missiles and low-level nuclear materials? Or should it be a country that is in harmony with its neighbors and friends, using the industry and ability of its people to strengthen trade and commerce and the personal development of its people?

To me that's an easy question to answer. If there is no threat to North Korea's security, if we mean them no ill, if Japan, if South Korea, if Russia, if China, if all of its neighbors wish to be partners in a more open world, and if the United States has that wish, then surely we should be able to work this problem out. That is my hope and my objective.

World Cup Soccer

Q. Mr. President, thank you. The last question is, who's going to win the World Cup, except the U.S.? [*Laughter*] I know that your daughter plays soccer.

The President. Yes. Well, if I take a position on that—you know, every time I take a position at home, I make a few million people mad. Now, if I take a position on that, I will make billions of people angry.

Q. [*Inaudible*—chance.

The President. That's right. I have quite enough—

Q. [*Inaudible*—in the world—

The President. I have quite enough controversy without that. I'm still pulling for the United States, you know. I like the underdogs when they fight. And we—this is the first time we've ever made the second round, I think.

Q. Yes, it's the first time in history.

The President. Yes. And we didn't want to be the first host team never to make the second round. And we're playing better than

expectations. So I'm going to keep cheering for the U.S. until we're eliminated.

NOTE: The interview began at 12:55 p.m. in the Oval Office at the White House. In the interview, the President referred to Joachim Bitterlich, director of the foreign policy, development aid, and security policy division, Federal Chancellery of Germany. This interview was embargoed for release by the Office of the Press Secretary until July 4.

Remarks on Independence Day

July 4, 1994

The President. Hello. Happy Fourth of July. Let me just say, part of this wonderful celebration—can you hear?

Audience members. Yes.

The President. Part of this wonderful celebration is music, fireworks, family, friends, no speeches. But I just want to welcome you here tonight and say what an immense pleasure and pride it is for Hillary and for me to have you here. We hope you enjoy the fireworks. We're proud to have you here on the grounds of your house and hope that you feel it is your house.

And let me just say one little thing seriously. Every Fourth of July, I try to take a little time to think about what this country means in a special way. And today, I finished a biography I've been reading of our second President, John Adams. He's the first person who ever lived in this house, in 1800. He died on the 50th anniversary of our Declaration of Independence, on July the 4th, 1826, the same day President Jefferson died. They were great friends. And they died, on the same day, as they had lived: loving this country. And what I want to ask all of you to think about is what we can do to make sure that this country's still here 200 years from now. That's our job.

Thank you. God bless you. Have a great night.

NOTE: The President spoke at 9 p.m. on the South Lawn at the White House.

Interview With Tomasz Lis of Polish Television

July 1, 1994

Poland-U.S. Relations

Mr. Lis. Mr. President, what is the most important message you would like to bring to Poland?

The President. That the United States and Poland are bound together, our futures are bound together; we're bound together by affection, by family ties, by our comradeship in World War II, and by our devotion to the constitutional idea of government, but that we have a very important future, and we need to build that future together.

NATO and the Partnership For Peace

Mr. Lis. In January in Prague, you said that there was no question if NATO should be expanded, the only question was when and how. Could you make that step forward and say when and how?

The President. Well, first of all, I have to make sure there is an agreement among the NATO members about what exactly the standards should be and the timetable. And they haven't all agreed. But I do want to make it clear that, in my view, NATO will be expanded, that it should be expanded, and that it should be expanded as a way of strengthening security and not conditioned on events in any other country or some new threat arising to NATO.

The Partnership For Peace is actually exceeding my hopes for its success. We now have 21 countries signed up, 19 who were in the former Communist bloc and Sweden and Finland. And we are going to hold our first exercises, as you know, in Poland, which I hope will send a message about how important I think Poland is to the future security of Europe and our future alliance.

Mr. Lis. But will you give Poland and other Eastern European countries a clear timetable for becoming full members of NATO? Because maybe that's the only way to—

The President. I think that a timetable should be developed, but I can't do that alone. NATO is an alliance. There are many partners in it, and we have to discuss that

among ourselves and to reach agreement on exactly how this staging should be done.

Last year—or earlier this year when I met with the NATO members, they felt very strongly that we should first have these exercises, these Partnership For Peace exercises, and we should gauge the nature of our security cooperation with all of the people in the Partnership and then see which people in the Partnership really wanted to become members and who was ready and then come back and meet and determine what the standards should be. So I think that probably won't be done until sometime next year, because of the feeling of all the NATO members about it.

Russia

Mr. Lis. What can the United States do to promote friendly links with Russia and, on the other hand, to enhance Poland's and Central Europe's security?

The President. I think we're doing both those things now. I think we can promote our friendship with Russia by working to develop Russia, by helping to diffuse our tensions. Our nuclear weapons are no longer pointed at each other, for the first time since the end of World War II. We are working together to try to solve the conflict in Bosnia. So I think in all those ways we can work together. We have a commission between the Prime Minister of Russia and our Vice President working on matters of defense conversion and environmental technology and energy and things of that kind. So we have a good, broad-based relationship with Russia.

But we have to pursue independently our relationships with Poland, with Central and Eastern Europe. And I think that the security issue is one; that's why we pushed so hard for the Partnership For Peace. Also our economic issue is another where we have—the United States provides, I think, about 44 percent of total outside investment in Poland. And we know we need to do more in Central and Eastern Europe than we have done, and we will do more. There are limits to what we can do, but we will do more. I think we have to pursue that totally independently of our growing relationship with Russia.

Mr. Lis. But Mr. President, you have a vision of an undivided, integrated Europe.

The President. I do.

Mr. Lis. And don't you think that your vision is against what we often hear from Russian politicians about so-called—doubts, influence—about the Russian opposition to expansion of NATO to Central Europe?

The President. You hear some of that. But we also have to look at what is happening. I mean, Russian troops have withdrawn from Lithuania. Russian troops are, I think, about to withdraw from Latvia. We've worked out most of the issues on that. There are some minority rights issues to be worked out in Estonia, but I think that will occur. I think you'll have all the Baltics free, independent, and without foreign troops on their soil pretty soon, and the Russians have been pretty consistent in supporting that.

I also believe that—keep in mind, conditions of membership in things like Partnership For Peace, which Russia has also joined, involve respecting one another's territorial boundaries. And in terms of Russia's exercise of influence outside its borders, at least in Bosnia I would have to say so far it's been a positive thing for the cause of peace, not a negative thing.

So we have to judge people not only by the words they use and the way they use them but also by what they do. And so far, I would say there will be tensions and disagreements from time to time, but I believe we can have a united Europe with a responsible, strong Russia, and we are going to work for that.

Mr. Lis. What do you think about an idea of expanding NATO and, at the same time, signing a special treaty between such an expanding NATO and Russia, a treaty that would confirm Russia's status as a major power and a friendly one?

The President. I don't know, I haven't thought of it in exactly those terms. I think that that's where Russia is right now. Right now, it's a major power and a friendly one. And I think that what we want to do is to try to work through our differences and find new ways we can cooperate. And that's an interesting suggestion you made, but I haven't had time to think it through, so I can't comment on it.

Poland-U.S. Trade

Mr. Lis. And Mr. President, what about economic partnership? Your administration stresses very often that such a partnership should be based more on trade than aid. But what can the United States do now to ease Polish exports to your country?

The President. That's one of the things I want to talk with President Walesa about when I'm in Poland and when I have the chance to meet with other leaders of Poland, what we can do to accelerate economic development and what we can do to help cushion the pain of all these changes.

Your country last year had the highest growth rate in all of Europe, 4 percent. And I believe that the potential is very great there. So I want to think about that because even if we lower our barriers to Polish products and services, because of the distances between our two countries and because of the pattern of commercial relationships that developed during the cold war period, that may not be enough. So I want to see what else we can do to accelerate trade and investment as well as certain specific aid programs. And I will be bringing some specific suggestions and offers to Poland that I hope will bear some fruit.

Mr. Lis. I would like to ask you about it, because we hear about a new, very interesting program of U.S.-Polish cooperation concerning social issues, a program that you're going to present in Warsaw. Could you reveal at least some details of that program?

The President. I think it's only appropriate that I speak, really, to your representatives of your people and your government first. But I just think the United States should do what it can to help countries that have been brave and courageous as the Polish people have always been but very brave in going through this period of reform, not only to continue to grow economically but to deal with the social tensions that come from this sort of dramatic transformation. And we will be talking about that in Poland. But I don't—I think I had better wait until I go there and talk to your leaders about it first.

Mr. Lis. It was said for the first time in February by U.S. officials that Poland is one of 10 big emerging markets in the world.

What does it mean? What does that statement, that opinion mean in practice?

The President. We identified, as you know, Mexico, Brazil, India, China, Hong Kong, Taiwan—that cluster—Poland, Argentina, a number of other countries, Turkey, Indonesia—that's not quite all, but that's close—countries that we see as having a very bright future, having a substantial population, a diversified, strong economy, and the ability to grow into major trading powers. And what that means is that over the next several years the United States, focusing on our Department of Commerce and our other agencies involved in trade and development, will make extraordinary efforts to promote American investment, to promote American trade, the selling of our products abroad, and to promote more purchases by Americans of products coming out of those countries.

And what we're trying to do is to say not what does the world look like this year and next year but what might the world look like in 10 years or 15 years or 20 years. And the 10 nations on that list we believe will be major, major factors in the global economy. And the United States, for its own interests as well as for the interests of the world, must be heavily involved with them. And Poland is a very important part of that strategy.

World Cup Soccer

Mr. Lis. Mr. President, the last question. I have to go back to the question which was asked by my friend from Germany: What is your prediction about the score of the game between the United States and Brazil on the Fourth of July?

The President. Well, obviously Brazil will be heavily favored. But I think we have a chance to win. I mean, after all it's our Independence Day and we—it's the first time we've ever been in the second round, and our people have played very well. In two of their three games they have exceeded expectations dramatically. So I wouldn't count the United States out.

Mr. Lis. Thank you very much, Mr. President.

NOTE: The interview began at 12:34 p.m. in the Oval Office at the White House and was embargoed for release by the Office of the Press Secretary until July 5.

Interview With the Polish Media

July 1, 1994

NATO and the Partnership For Peace

Q. You won't mind if I will read. My English is not as good as yours, so that's a great help for me.

Mr. President, the Polish people would like to join the NATO alliance, not just participate in the so-called Partnership For Peace. What is your intention for the future or for Poland?

The President. Well, my intention is to support an expansion of NATO. But in order to expand NATO we have to get agreement from all the members of NATO about when to expand and how to expand.

I can say this: The expansion of NATO is not dependent on any bad developments in Russia or anyplace else, and nobody has a veto over the expansion of NATO. But last year when I raised this question with the other NATO members, there was a strong feeling that we weren't yet ready to expand NATO but that we had to do something to try to create a better security environment in all of Central and Eastern Europe. And so the decision was made to launch the Partnership For Peace that was our idea, the United States idea, to try to get all the nations of Europe who would join to agree to do joint military exercises and to promise to respect one another's borders.

Now 19 countries that were formerly in the Soviet bloc or the Warsaw Pact countries and formerly Soviet Union countries, plus Sweden and Finland have all agreed to join. And we will be having our first military exercises in Poland later this year. So the security of Poland is very important to me personally and to all the NATO countries. And the history of Poland is very much on our mind. But I think that the Polish people should feel very good about the rapid acceptance of Partnership For Peace, the fact that the first military exercises will be in Poland, and the fact that we are committed to the expansion of NATO.

But after such a long time—NATO, after all, has existed for, well, more than four decades—I think it's just taking a while for the NATO members to decide exactly how membership should be expanded. Meanwhile, I

think it's important not to underestimate this Partnership For Peace. Even when I proposed it, I didn't dream we'd have 19 countries immediately join from the former Communist bloc and then two others. There is a real desire to try to prove that we can unify Europe from a security point of view. And so I will keep pushing on it.

Russia

Q. Mr. President, President Yeltsin recently said that nobody could, how you say, disregard the Soviet—Russian responsibility for political and moral support of the countries which for centuries were marching together with Russia. It was said, it was broadcasted all over. And that's why the Poles, I suppose, American Poles and Poles in Poland, are unhappy about the possibility of a renewed pressure and imperialistic tendencies. As—[inaudible]—mentioned, his study of Poland is one of the examples of what could happen in our part of Europe. Will you be in a position to say in Warsaw that the United States would oppose tendencies to restore previous—[inaudible]—influence of Russia in Central and Eastern Europe?

The President. We don't recognize the whole sphere-of-influence concept. We do know that the Polish people are concerned about that, but if you look at what has happened—take two examples: first, the Russian troop behavior in the Baltics and, second, in Georgia—I think it is possible to put a less threatening interpretation on President Yeltsin's remarks—or the Russian presence in Bosnia. Let's take those three.

I have pushed personally very hard for the withdrawal of the Russian troops from the Baltics, and I am looking very much forward to my trip there to Latvia. The troops are out of Lithuania, and they are withdrawing from Latvia, and I think they will be out of Estonia before long. We have a few things to work out there. So there is a recognition on the part of the Russians that these are three truly independent countries and should be treated as such.

In the case of Georgia, the United Nations was unwilling to send a full-blown peacekeeping mission there because the situation did not meet the requirements of the U.N.

for peacekeeping. That is, there was not an agreement between the two sides in the fight that would permit a peacekeeping mission. So Russia was willing to go in, and the Georgian Government, Mr. Shevardnadze invited them in as long as there were international observers there who could say, "Well, yes, they're not violating any standards or rules."

In the case of Bosnia, Russia has asserted its historic interest and affiliation with the Serbs, but in a way that has put the Russians in a position of pressuring the Serbs to stop attacks on the safe areas, to recognize the sanctity of Sarajevo, to accept the peace plan. So those are three areas where I would say the behavior of Russia, while more active in its area, in its neighborhood, if you will, has been largely constructive.

So I understand why the Poles are more worried about this than anyone else, believe me. I know well the history of Poland. I know how few years of true freedom and independence the Polish people have enjoyed in the 20th century. But I think it's important not to overreact to that. We watch this with great interest. And our concern and commitment to Poland is great. But I believe that we have a chance to work out a constructive relationship where the Russians say, "We want an active foreign policy, but we will recognize the freedom and the independence of all our neighbors." And that is our policy. That is what we are working for.

Ryshard Kuklinski

Q. Mr. President, Poles see the attitude of the United States toward Poland through some personal experiences of some Poles that served the United States. Among the most outstanding people was Colonel Ryshard Kuklinski, whom we are trying to get basically back to Poland, to enable him to go back to Poland. And there is a big outcry in the Polish community that the United States is not doing enough in this matter.

I have a personal letter—not a personal letter, I have a letter from a Polish organization in Chicago to you. There's a translation on the other piece of paper. And we are very curious: What are you going to do about Mr. Kuklinski? Are you going to mention him during your trip to Poland? Are you going to advocate for him?

The President. This is the first time anyone has brought this to my attention. I will look into it, and I will give you a response. I will get back in touch with you. But this is the first time I have been asked personally about this, so I will have to look into it. But I will be happy to look into it, and I'll get back in touch with you. Thank you.

Q. But you think you will be able to bring this matter up during the trip to Poland?

The President. I don't know. I just don't want to make a statement about something I never heard of before I read this letter. I knew nothing about this issue before I read this letter. So you'll have to give me some time to look into it, and I will give you an answer, yes or no. But I can't do it on the spur of the moment.

Russian Troop Withdrawals

Q. The United States has made a significant investment in promoting the Latvian-Russian troop withdrawal agreement. How will the U.S. guarantee that the Russian Federation will fulfill its commitment under these agreements, in particular the agreement on the Skrunda radar facility?

The President. Well, I think that will be fairly easy to guarantee because the United States essentially brokered that agreement. When I was in Moscow in January, I talked at great length with President Yeltsin about it personally. And then Vice President Gore has worked with Prime Minister Chernomyrdin, and we have been very active there. And as you know, we promised a significant amount of money to help to facilitate the transition. And since I think all sides want us to do the investment, I think that our investment guarantee is the best assurance that it will, in fact, occur.

But keep in mind, the resolution of that matter was the requirement the Russians had for a timely withdrawal from Latvia. So from the Latvian point of view and from the Baltic point of view, I think what you want is the appropriate withdrawal, except they will stay around there for a little while as we work this out.

But I feel quite comfortable about that. I see no reason to believe, particularly after the major troop components are gone, that the Russians won't follow through on their

commitment. It's in their interest to follow through with on it now that we have this agreement and we've put up the money.

Polish-American Radio and TV

Q. Mr. President, I would like to ask a question, a domestic, because I represent the only Polish television outside of Warsaw, daily television outside of Warsaw. There are 12 million Polish-Americans living in this country. Do you foresee any incentives for businesses to produce radio and television programming on the national level?

The President. I don't understand the question.

Q. This is a chance to grow, for the Polish—I'm talking about ethnic groups like Polish-Americans, Latvians, Lithuanians, to be able to have programming on the national level. It means for the businesses to have some incentive to—tax deductions—like other ethnic minorities have. I mean, the Polish-Americans are not regarded as ethnic but—

The President. Oh, I see. You mean like the minority requirements under the Federal Communications Commission to have African-Americans own television stations or radio stations.

Q. Yes, yes. We are ethnic, but we are not ethnic.

The President. I see. This is the first time anyone ever asked me that. Why don't you—I just never thought about it. Why don't you put together a letter to me, write me a letter stating what you think, how you think we should do it. In other words, what should be the standard? Who should be included? How should we involve other minority groups or ethnic groups in this? I would be happy to consider it; it's just no one ever asked me before.

I do believe—let me just say, for whatever it's worth, I think that there is a difference here, though. Because under the law, the idea was to get more African-American ownership of general audience radio or general audience television. And I don't think that applies to, let's say, African-American newspapers or African-American—at least printed material. It may or may not apply to African-Americans' radio stations.

But I will look into it. If you will write me a letter about it, I'll look into it, see exactly how it works and whether we should apply or consider applying it to others. It's really a matter of law; the Congress, I think would have to change the law. But they might be willing to do that.

Q. I traveled to USIA, to the WORLDNET satellite station, and I talked to the people there. And they feel that there is a need for joint business and government actions. I don't know how you also perceive the situation, possibility of changing this—

The President. I basically think that diversified ethnic press is a good thing for America. We have so many different people—if you look, Los Angeles County has members of 150 different racial and ethnic groups alone.

Q. And Chicago, 163.

NATO and the Partnership For Peace

Q. I hope I'll be excused for my trembling voice. Mr. President, Polish-Americans in the U.S., and all Poles in Poland as well, with great anxiety are observing a development of the conception of so-called strategic agreement between Washington and Moscow, because it would carry away Poland's acceptance to the NATO. Mr. President, what is your point of view toward Poland's—[inaudible]—to become a full member of North Atlantic Treaty?

The President. Well, I will answer it the way I answered the first question. We first of all believe—I believe NATO should be and will be expanded. In order to do that, all the members of NATO, not just the United States, must decide on when and how that will occur. From my perspective, our relationship with Russia will not and must not include the proposition that any country should have veto over any other country's membership with NATO or that something bad has to happen in Russia before we expand NATO. I just—I think that is not something the Polish people should be concerned about.

Instead, what I think should be emphasized is the readiness of the Polish military forces, the success of these upcoming military exercises. We are doing military exercises with Poland and NATO in Poland for

the first time this fall, and it will be the first exercises of the Partnership For Peace. So I wouldn't be too worried about that if I were the people of Poland.

I understand the historic concerns; I understand them very well. But the United States has not made an agreement to give any country veto power over membership in NATO, nor has NATO made a decision that it will not expand until there is some bad development in Central or Eastern Europe.

So I think that in the ordinary course of time, NATO will expand, Poland will be eligible. I think it will be fine. And in the meantime, the best way to build security is to make the most of this Partnership For Peace because, in order to get into the Partnership For Peace, every country must commit to respect every other country's borders and because, once in, we then began to do joint military exercises together, which will build the confidence of all the NATO members in expanding membership.

Q. Mr. President, I am wondering, couldn't we start to refer to Poland as Central European country and lose the Eastern European connotation? Poland was always the middle of Europe, never the east.

The President. I think of Poland as Central Europe. I agree with that. And I think Poland should be characterized as Central Europe. But when I mentioned the Partnership For Peace, there are a number of Eastern European countries that are also in the Partnership For Peace. But I agree with you, it should be considered Central Europe.

Q. Thank you.

Purchase of U.S. Military Equipment

Q. Mr. President, you mentioned the possible exercises, military exercises, in Poland. There are in Congress, the Senate right now, I think, five amendments concerning various aspects of the Polish situation. And some of them are opposed by—again, I repeat—opposed by the Department of State. Particularly, we are interested in the fact that Poland is trying to get the permission to purchase or lease military equipment from the United States. And it is our understanding that the State Department is rather opposing of this—

The President. We support the transfer of certain military equipment to Poland. The question is—and we consider Poland an ally and a friend. We have no problem there. The question is we have some general rules which we apply to everyone about certain kinds of equipment that we will not sell. And the issue here is if, as I understand the issue, if we depart from the rules we have for everyone for Poland, then will we be forced to change our policy in general because people will say, “Well, yes, Poland is your friend and Poland is a democracy, but so are we, so you must include us in anything you do for them.”

So the State Department, when they issue a letter, has to consider not just Poland but what will our policy be when someone else comes along and says, “We have been also a friend, and we are also a democracy, and give us the same treatment.” That’s really what is at stake here. We have no problems with transfers of a lot of military equipment to Poland, but we have to be careful if we get into something that we don’t do anywhere else, how shall we describe the difference in the Polish situation and others.

Immigration

Q. Mr. President, I ask a question about a thing that is not only of Polish concern here but of all immigrants in the United States. We are kind of noticing a toughening of the policy towards immigrants or preparations to this kind of a process. How do you perceive that matter? Will you support any toughening of the U.S. policy towards immigrants, no matter legal or illegal?

The President. Well, first of all, I support a vigorous immigration policy. This is a nation of immigrants. Only the American Indians are not immigrants. And some of them actually came across from Russia millions of years ago when we were tied through Alaska to Russia. So we are all immigrants.

The only thing that I have supported is stronger requirements on illegal immigration because the number of illegal immigrants is largely concentrated in a small number of States, in California and Texas and New York, to some extent, New Jersey. And where there is a large legal immigrant population, the costs of dealing with that largely fall on

a few States. And the feelings against immigrants in general tend to get very high.

For example, California is one of the most diverse States—ethnically diverse States in America. And yet, now there is a great feeling there among some people that we ought to shut off immigration. Why? Because they have a high unemployment rate and a lot of illegal immigrants. So I have tried to help California to strengthen its border patrol and to do some other things which will reduce the flow of illegal immigrants into California. But I do that because I do not want any further restrictions on legal immigration.

And I think our country has been greatly strengthened by immigrants. And I think that all we should want is a set of rules that everyone follows for how we expand our population. But I have no plans, for example, to try to limit the number of legal immigrants from Central Europe or from any other place in the world.

Russian Troop Withdrawals

Q. Last year at your Vancouver summit with President Yeltsin, you promised that the U.S. would provide \$6 million to build 450 housing units in Russia for officers withdrawn from the Baltic States. There are reports that much of these funds administered by the U.S. AID are not being utilized to benefit the withdrawing officers. In view of the fact that the U.S. will be financing several additional thousand housing units for these officers, how will the U.S. monitor that these apartments will actually be given to officers withdrawn from the Baltic countries?

The President. What are they saying, that the—

Q. That the money is actually being allocated in different—

The President. To people who are not officers or to something other than houses?

Q. Right. Both, actually.

The President. Well, let me say this. We are trying to get—right now we are trying to get a better oversight on all of our Russian aid programs in general. But I would say it would not be in the best interest of the Government of Russia for this money not to be spent in the appropriate way. Because after all, if we make a commitment and we deliver the money and they withdraw the soldiers,

which they have to do—it's part of the deal—then I would think it would not be in their interest not to build the houses for the soldiers, because the whole idea is to try to stabilize the domestic political situation by doing the right thing by the soldiers who are coming home and giving them some way to make a decent life for themselves.

So I think if this has occurred, it is not a good thing for the Russian Government and for Russian society. It's not in their interest. But we are trying to improve our oversight of all these programs because, as you pointed out, we have actually committed to spend even more money on housing to get the withdrawal done in a fast way.

President's Visit to Poland

Q. Mr. President what is your main objective when you visit Poland?

The President. My main objective is to reaffirm the strong ties between the United States and Poland and to reaffirm our commitment here in the United States to helping Poland achieve a successful economic transition—the Polish economy, as you know, grew by 4 percent last year, more than any other economy in Europe—and to do so with some help with easing the social tensions caused by the transition. And I have some ideas and some suggestions that I wish to share with President Walesa and then perhaps in the Polish Parliament, too. You know I'm going to speak in the Polish Parliament. I must say I'm very excited about it. It's a great honor. I'm so excited; the idea that I will be able to address the Parliament, that I will be able to visit some monuments of places I've only read about or dreamed of, it's a great thing not only for me as President but just for me as a citizen and for my wife. We're very excited about that.

We're also, I might say, very excited about going to the Baltics. I grew up in a little town in Arkansas that had a substantial Lithuanian population. So I grew up knowing about the problems of the Baltic nations. Interestingly enough, we had a lot of people from Central and Eastern Europe, a lot of people from the Czech Republic in my hometown in Arkansas who came down from Chicago, most of them came from Chicago, and moved to my State because it was a little warmer but

still it had four seasons. So I'm very excited about it.

Poland-U.S. Relations

Q. Your decision, Mr. President, to consult Mid and East European issues with American ethnic groups from this region was widely welcomed and accepted with great appreciation. I am talking about this meeting in Milwaukee, Wisconsin, you couldn't unfortunately attend. Mr. President, will the Department of State continue this kind of link with ethnic Americans?

The President. Yes. We will do a lot of it right here out of the White House also. I have had—I am taking about a dozen Polish-American leaders to Poland with me. I have had leaders of various ethnic groups into the White House to meet with me personally, as well as the Vice President's trip to Milwaukee. And we will continue to do this as long as I am President. I think it's very, very important. It helps us to make good policies as well.

You know, for example, the United States is today the biggest foreign investor in Poland. I think about 44 percent of all the foreign investment in Poland comes from the U.S. The Polish Enterprise Fund has been responsible for about 10,000 new jobs in Poland. And I want this to grow. And I think it has to grow through the involvement of citizens, not just government officials. So I will do more and more of that.

Q. You have my thoughts, sir.

The President. Thank you very much.

Q. Thank you.

Ryshard Kuklinski

The President. Thank you all for coming. I will get on this. I did not know of this case; I will get right on it.

Q. Sir, this is not from me, now. I would like to make a statement here that this letter is not only from the Alliance of the Polish Clubs in Chicago, this really reflects widespread attitude of Poles and concern of Poles about Mr. Kuklinski. And we kind of feel that the United States has somewhat an obligation to do something about it because Mr. Kuklinski helped a lot, contributed so much to the cause of the world peace and defeating the Communist system. And now he cannot

even go back to his own country that he loves and he wants to go.

The President. I'll get on it.

Q. Thank you, sir.

The President: When I was a boy I went to school with a man named Richard Kuklinski. [*Laughter*]

Q. Oh, really? This can help him.

The President. I wonder if he was related to this man.

Q. I hope it will help him as well.

The President. Thank you.

NOTE: The interview began at 6:07 p.m. in the Oval Office at the White House. In the interview, the President referred to Ryshard Kuklinski, former Polish military officer, now a U.S. citizen, who would face imprisonment for espionage if he returned to Poland. This interview was embargoed for release by the Office of the Press Secretary until July 5. A tape was not available for verification of the content of this interview.

Remarks on the Upcoming Economic Summit

July 5, 1994

Thank you very much, Secretary Brown, Ambassador Kantor, Secretary Reich, Deputy Secretary Talbott, National Security Adviser Lake, National Economic Adviser Bob Rubin, to my Special Assistant for Public Liaison, Alexis Herman, and so many others who have worked hard to make this upcoming trip a success. I'd like to also recognize and acknowledge the presence of the members of the diplomatic community who are here today, as well as the leaders from business and labor, Government, and academia, many faces of our national interests that seek to advance our international economic policies.

It is fitting that we should gather here at the moment of my departure for the G-7 meeting, as well as our trips to Latvia and Poland and Germany, fitting that we should be here because it was here last year that I signed into law the North American Free Trade Agreement. NAFTA was more than a trade agreement; because of the circumstances surrounding its debate, it was a defining moment in our modern history. It was ratified only after a principled and momentous debate over how the United States

should enter into the post-cold-war era. Would we hunker down, turn away, and ultimately, in my view, suffer a slow and steady decline in our living standards, or would we, instead, take a different path? Would we build new walls where old walls had crumbled, or would we embrace eagerly the challenges of a new and rapidly changing economy? Our vote on NAFTA was our answer to that question. We chose to embrace the world. It is for us now to shape what kind of world we will live in.

This moment in history demands that we master the rapid, even dazzling pace of economic change and ensure that our people have the confidence and skills they need to reap the rewards that are there for them in a growing global economy. That is the purpose of my Presidency. And the mission to Europe on which I embark tonight is simple: to create jobs and a world of prosperity.

We are in the midst of a rare moment of opportunity. If our people have the confidence, the vision, the wisdom to seize this moment, we can make this a new season of renewal for Americans and for the rest of the world as well.

At the G-7 summit in Naples and in visits to Latvia, Poland, and Germany, we will seek to find ways to create jobs and better prepare our people to fill them, to develop the infrastructure for the new global economy, to commit to sustainable development for all the nations of the Earth, to continue the economic, the political, the security integration of the new democracies into the family of free nations.

Even as we speak and meet here, powerful forces are shaking and remaking the world. That is the central fact of our time. It is up to us to understand those forces and respond in the proper way so that every man and woman within our reach, every boy and girl, can live to the fullest of their God-given capacities.

A global economy, constant innovation, instant communication, they're cutting through our world like a new river, providing both power and disruption to all of us who live along its course. The cold war has clearly given way to a new birth of freedom in Central and Eastern Europe. And this means enormous opportunities. But citizens find

themselves buffeted by changing tides, cut loose from their moorings, facing stagnant incomes, shrinking job prospects, social problems of staggering dimensions. Stubborn unemployment is especially endemic in Europe. And here in the United States, our incomes are still largely stagnant, even when the economy is growing.

Here in America we're preparing for this new world by putting our fiscal house in order, dramatically cutting our deficit, by aggressively opening our efforts to increase access to foreign markets. We're helping our working people adapt and prosper in the global economy by creating a system of standards for world class education and a better system for moving our young people from school to work when they don't go to college and better opportunities for people who do go to college and, finally, a system of lifetime learning and reemployment for those who lose their jobs. And we must work to give them health care security as well.

From the first day of preschool to the last day before retirement, every American will have to continue to be a learner. And that is the lesson that every American must be taught from the first day of preschool to the first day on the job to the last day of retirement. Lifetime learning is not an option. And so our responsibility is to be able to say to every American, whatever the economy brings, you will be prepared to make the best of it.

Even as we sow the seeds of our own renewal, we also must recognize that what happens around the world affects us here at home. We must have global economic growth, because when global markets grow, our exports boom, and that means higher paying jobs here in America. If workers in other nations embrace protectionism, that means a race to the bottom in which all will lose. If the nations of Central and Eastern Europe fall backward into chaos or authoritarianism, then legitimate security needs will soak up an ever greater part of our budget in the future.

Our challenge is the challenge of all advanced nations. We will only act most effectively when we act together. We began to do that a year ago in Tokyo at the first G-7 summit of my Presidency. For years, the

G-7 did less than it could, but in the past year we've replaced a decade of drift with a real commitment to action. We closed the deal on the world trade talks that were stalled for years. And with our help, the once-crippled Russian economy is struggling to its feet. We have shown together that bit by bit and year by year, the decisions made at these G-7 meetings really can make a difference.

For a decade, our out-of-control budget deficit robbed us of the standing to press our partners to act. Indeed, year after year at these meetings our friends and allies hammered us about the deficit and claimed that they were unable to listen to our suggestions about what they could do to promote global growth. Well, now, instead of having the biggest deficit in the G-7, we have among the smallest.

With the largest deficit cut in our history, including \$255 billion in spending cuts, we now have the standing and the credibility to speak and to be heard. We're on the brink of passing a new budget, I might add, which with new spending cuts, including the first reduction in aggregate discretionary domestic spending in 25 years, will give us 3 years of deficit reduction in a row for the first time since Harry Truman was the President of the United States.

Now, we have to use this newfound strength to address how to give the citizens of our Nation and all other nations the confidence they need to prosper in uncertain times. We have to move from coping with crises to planning for prosperity. In other words, we have to lay the foundation for the 21st century economy, one in which change will be the order of the day, and the real question will be whether change is our friend or our enemy.

Our first job is to create jobs and to develop the high-skill work force to fill them. It may seem obvious, but many, many of the advanced economies of the world have been unsuccessful in creating jobs for several years now. In Tokyo, we agreed on a common strategy to spur expansion. And today, growth in the G-7 is 2½ times faster than it was a year ago. America has powered that expansion. With 40 percent of the annual income of the G-7, we have produced fully three-quarters of the growth and almost 100 per-

cent of the new jobs. Our exports are rising faster than those of any other G-7 nation. We will continue to do everything we can to expand on this record by expanding trade.

Last year when we ended 7 years of global gridlock, leading to the signing of the largest trade pact ever with the Uruguay round of GATT, we knew we were on the right track. Now, we have to lead the world in ratifying it.

These trade agreements are good for our country. Thanks to NAFTA—you heard what Secretary Brown said—let me just mention one thing that was of particular concern during the debate. This year we are exporting automobiles to Mexico at 5 times the rate of a year ago. If you look at what NAFTA did and then you compare the potential of GATT, you get a sense of the importance of ratification here in the United States and in the other countries. GATT means a \$744 billion tax cut over the next decade for the industrialized countries and in half a million new American jobs alone. Congress must pass the agreement this year. And all the G-7 nations must work to implement it in good faith.

But we know also that we have to do more. At the Detroit jobs conference in March, for the first time ever, finance and labor ministers of all these countries began a serious conversation about the economic well-being of working people. For all the advanced countries, new competition from rapidly developing nations places an even greater premium on the skills of their work force even as it places greater pressures on wages of their workers.

We've got a lot to learn from each other. We can learn a lot from the German apprenticeship and health care systems, from the French child care system, from the way the Italians in the northern part of Italy cooperate in research and development and marketing among small businesses. We have things to learn from every nation in the G-7. Every nation is addressing these qualities.

I have talked to the Japanese about it. I have talked to the British about it. I have talked to the Canadians about it. I was so impressed to see the Prime Minister of Britain carrying around a little plastic card which had the goals for British education in the year

2000. And it sounded very much like the legislation that I signed in the Congress just a few weeks ago.

We know we can learn from one another. We know that the United States because of its adaptable work force has been able to create more jobs. But we also know that every nation has got to work harder to create even more jobs and increase incomes.

In Naples we will be pressing forward with this common agenda. And let me say that, to the best of my knowledge, no group of advanced nations ever in all of human history has ever tried to work together in common on these problems, the problems of ordinary citizens that lie behind the complex statistics we read about in the newspapers every day.

Our second goal in Naples will be to build a new infrastructure for this new economy. In the 21st century, there must be a nerve system to carry the ideas, the information, the investments of the new economy. These will require new technologies and certainly the building of what the Vice President always talks about in the information superhighway. We must create this infrastructure and use it to increase productivity so that we can expand overall growth within the limits of our planet's resources. We will begin to lay those plans in Naples.

Third, we will discuss the tinderbox issues of global population and the environmental crisis. In the coming years, prosperity and security will depend more than ever on progress on the environment and sustainable development. We must stabilize population growth, because poverty is both the cause and an effect of exploding population. Otherwise, we will find ourselves with a worsening shortage of the food to feed future generations, a shortage of the environmental sustenance needed for them to live in peace, instead of closing up camp and moving across national borders, and a shortage of the capacity to create jobs to sustain the people of the 21st century.

Fourth, we will continue to work with Russia and the other new democracies to make the difficult transition from command economies to free markets, from repressive regimes to open societies. In Tokyo, Russia was in dire economic straits. We mustered the international community to provide emer-

agency aid for reform. Already \$26 billion of the promised \$43 billion has been disbursed. The Russian Government deserves enormous credit for staying on the path of reform, especially in these last several months. And slowly but surely, reform is working. Today, the Russian budget deficit is a smaller percentage of its income than the deficit in some other European countries. Russian monthly inflation has dropped to single digits. And half of all Russian workers are now employed in the private sector. Life in Russia is still difficult, but now her people have tangible reason to hope. And in Naples, for the first time, President Yeltsin will join our ranks as a full participant in discussing political issues.

The G-7 will strive to bring the economies of Central and Eastern Europe fully into the world economy with trade and long-range reform. We want those nations to hold to the path of economic reform and democracy, for those are the only true routes to prosperity and peace. But the prospect of renewal will only be complete if Europe is whole, if the young democracies are fully integrated into security and into the society of that continent. That's why we have worked so hard to create NATO's Partnership For Peace, to link peaceful nations committed to respecting one another's borders, from Vancouver to Vladivostok. They must believe that this difficult journey is worthwhile.

To that end, I have the great honor of visiting Riga, Latvia, to be the first American President to touch free Baltic soil. I will visit Warsaw, where a free people is coming into its own, where the Polish economy is now growing faster than any other economy in Europe, and eager to be a full partner in our deliberations for the future.

And then I will end the trip in Berlin, where for 50 years, our Presidents made pilgrimages to proclaim our commitment to freedom. It will be a privilege to represent all of you as the first President to visit that city since that glorious day when the Germans united to topple the Berlin Wall. There I will witness the end of a proud chapter in our own history, as the last American brigade comes home from Berlin. As the last detail on freedom's frontier returns, we must remember again the dire consequences when America withdrew from the world after

World War I. So, these troops will leave Germany and Europe because their mission is complete, but some 100,000 others will stay, working through NATO to promote peace and to secure the Continent. And we will stay through our commitment to trade and political integration.

A month ago when I represented our Nation in Europe, it was on a journey of remembrance, to honor the generation that saved the world for freedom in World War II. Tonight I return to Europe on another mission, to join others in renewing the world that the generation of World War II has left to us.

It will serve us to remember that when World War II was won, profound uncertainty clouded the future. Europe and Japan were buried in rubble. Their peoples were weary. People did not know what to expect or what would happen. But because of the vision of the people who were our predecessors here in the United States and the other allies, new institutions were created and the path that was followed after World War I was abandoned and instead the world was embraced with optimism and hope and a determination to make the world work, not just for Americans but for our friends and allies and, indeed, our former foes as well. It is that spirit, that idea, which must animate us today.

We have had a good year in America since the last G-7 meeting, but we are nowhere near where we need to be. We are simply moving on the path that will take us. And I want all of you to know that as long as I am President, I will continue to work for these things: an integrated and strong security partnership in Europe, the right kind of political partnership, and continued expansion of our economic frontiers. I hope you will continue to support that direction.

Think of the world you want the children in this country to live in 20, 30, 40 years from now. It is within our power to make it, but we must make the right decisions today. This trip is an important part of that decision-making. I hope you will wish me well, but more importantly, I hope you will support these efforts here at home and, as you can, around the world.

Thank you, and God bless you all.

NOTE: The President spoke at 2:08 p.m. at the Mellon Auditorium.

NOTE: H.R. 1758, approved July 5, was assigned Public Law No. 103-272.

Statement on Signing Transportation Legislation

July 5, 1994

Today I have signed into law H.R. 1758, an act to revise, codify, and enact certain general and permanent laws related to transportation.

Section 31134 directs the Secretary of Transportation to establish the Commercial Motor Vehicle Safety Regulatory Review Panel. The legislation grants panelists a position within the Federal Government that is endowed with tenure and continuing duties as well as significant authority, including the authority to compel the Secretary of Transportation to conduct a regulatory proceeding and to prescribe final regulations. For this reason, panelists are officers of the United States. Fourteen of the fifteen members of the panel are to be appointed from lists submitted by two committees of the Congress. The Constitution prohibits the Congress from sharing in the power to appoint officers of the United States other than through the Senate's confirmation role. As such, no statute may require an appointment to be made from a list submitted by a Member, committee, or other agent of the Congress. I therefore do not interpret section 31134(c)(2) as binding and direct the Secretary of Transportation to regard any lists submitted pursuant to section 31134(c)(2) as advisory.

I also note that section 42104(c) purports to enact a legislative veto with respect to specific regulations issued by the Secretary of Labor pertaining to air carrier employees. The Supreme Court has ruled definitively that legislative vetoes are unconstitutional. Under the Court's precedents, the legislative veto provision contained in section 42104(c) is severable from H.R. 1758. I therefore instruct the Secretary of Labor to disregard section 42104(c).

William J. Clinton

The White House,
July 5, 1994.

Statement on Signing Federal Housing Administration Legislation

July 5, 1994

Home ownership is one of the foundation stones of the American dream. Renewing and expanding this dream is one of my Administration's highest priorities and deepest commitments.

Our economic plan, which did so much to lower interest rates, has helped make homes affordable for more people. As more Americans realize that home ownership is within their reach, many of them turn to the Department of Housing and Urban Development (HUD) and the Government National Mortgage Association (Ginnie Mae) for Government assistance. These programs, some of which operate at a profit to the Federal Government, have enabled millions of Americans to enjoy the pride and sense of accomplishment that come with owning your own home.

As new home purchases and refinancings continue at a rapid rate, single-family home purchasers will soon be unable to do business with the Federal Housing Administration (FHA) and Ginnie Mae—absent corrective action—because the increased demand for loans has exhausted their loan authority. That is why the Congress, acting responsibly and in a fiscally prudent manner, adopted a supplemental appropriation to replenish these funds. Today I am signing into law H.R. 4568, which provides a supplemental appropriation for HUD and Ginnie Mae so that these agencies can continue their good work in helping low- and middle-income Americans build their piece of the American dream.

Specifically, the Act provides: (1) increased loan commitment authority of \$35 billion for the FHA Mutual Mortgage Insurance program; (2) increased Ginnie Mae loan guarantee commitment authority of \$55 billion; (3) an increase of \$3 billion in loan volume for condominium and other housing insurance programs; and (4) an additional \$18 million in budget authority to subsidize mortgages for the purchase or construction of rental housing. Equally important, this legis-

lation will not add a penny to the Federal deficit. So, as we continue putting our fiscal house in order, this legislation will ensure that home ownership becomes the order of the day for more and more Americans.

William J. Clinton

The White House,
July 5, 1994.

NOTE: H.R. 4568, approved July 5, was assigned Public Law No. 103-275.

Statement on Relocating Radio Free Europe and Radio Liberty Headquarters

July 5, 1994

The Radios made a significant contribution to the victory of freedom during the cold war. All friends of liberty appreciate the strong support of the German Government and in particular the Bavarian officials over the last four decades. With this move, the Radios begin a new chapter in the continuing struggle to consolidate democracy throughout the former Communist bloc. I am grateful to President Havel and the Czech Government for its generous offer and look forward to working with it to ensure the Radios' important work continues.

NOTE: This statement was part of a statement by the Press Secretary on the decision to accept the offer of the Czech Government to make the former Parliament building in Prague available to Radio Free Europe and Radio Liberty.

Exchange With Reporters During Discussions With Baltic Leaders in Riga, Latvia

July 6, 1994

Russian Withdrawals

Q. Mr. President, did you make any progress in your conversation with Mr. Yeltsin?

The President. I think we're making good progress. I think we're making good progress toward completing the troop withdrawals on schedule, working out some of the remaining controversies over the rights of Latvian minorities. I feel good about it.

We talked about that here, as well as about our economic cooperation. And this agreement is, I think, just the beginning of what will be a long and very deep relationship between these two countries and with the United States and the Baltics generally.

Q. Did Yeltsin give you a firm commitment on August 31 withdrawal?

The President. Well, he certainly clearly wants to complete the troop withdrawal, and he's worked very hard. You know, this has been a priority issue between the two of us, and I think that it will proceed apace. I feel good about where we are right now.

NOTE: The exchange began at 11:30 a.m. in the White Room at Riga Castle. A tape was not available for verification of the content of this exchange.

The President's News Conference With Baltic Leaders in Riga

July 6, 1994

President Clinton. Good afternoon, ladies and gentlemen. Last year I had the pleasure of meeting these three Presidents, President Ulmanis, President Meri, and President Brazauskas, during the opening of the U.N. General Assembly. It is a great honor for me to see them again here as the first American President to set foot on free Baltic soil. On Monday, my country celebrated the birth of democracy in America 218 years ago. Today, on behalf of all Americans, I salute the Baltic countries for another birth of democracy. And I salute the Baltic people for the courage, the perseverance, and the discipline that made independence possible.

We have just had a very productive session. We noted the considerable progress made since we met last year and focused on the goals we all share: to expand democracy, security, and the broad integration of the Baltic countries with the West.

Much of our discussion focused on the hope for an historic withdrawal of the last Russian troops from Latvia and Estonia by August 31st. I congratulate President Ulmanis on the withdrawal agreement he and President Yeltsin signed in Moscow. The United States is prepared to double the level

of assistance it is providing, up to \$4 million, to help Latvia to take down the unfinished radar structure at Skrunda.

President Meri and I discussed the status of the Russian-Estonian talks on the withdrawal agreement. I believe the remaining differences between the two nations are narrow and can be resolved with flexibility on both sides. I told President Meri of my intentions to discuss this subject with President Yeltsin at Naples.

To help reach this milestone the United States has more than doubled the housing vouchers we will provide to qualified Russian officers who want to resettle from Latvia and Estonia into Russia. The United States is also providing a \$2 million package of assistance as part of the international effort to restore the environment at the former nuclear training site at Paldiski, Estonia.

We also discussed the issue of ethnic minorities. I believe all three Presidents share my view on this matter. A tolerant and inclusive approach is needed to integrate these groups into the political and social lives of all the countries. The progress made so far on troop withdrawals provides hope that the new democratic Russia, unlike the Soviet Union, can work with the Baltic countries for peace in the region.

The three Presidents and I discussed progress in developing active bilateral and multilateral defense relationships. I'm pleased that Estonia, Latvia, and Lithuania were among the first states to join the Partnership For Peace with NATO. In recognition of their role I have asked the Congress in the budget for 1995 for \$10 million for the Baltic peacekeeping battalion and other peacekeeping troops in Central and Eastern Europe.

We also covered the remarkable progress the Baltic nations have made in reforming their economies. Supporting the economic reintegration of Estonia, Latvia, and Lithuania with the West is a top priority of the United States. The hardships of transition are real, but the prospect of better times is visible. The trade and investment prospects are excellent. Just yesterday in Washington, the Overseas Private Investment Corporation signed an agreement with US West Tele-

phone Corporation to ensure a \$200 million telecommunications deal with Lithuania.

Today we're announcing the American membership of the board of directors of the Baltic American Enterprise Fund, headed by Ambassador Rozanne Ridgway. Over the next several years, this fund will provide \$50 million to develop businesses in the Baltic States.

From our own history, Americans know that winning the fight for independence is followed by even more arduous and difficult struggles for economic stability and national security. The people of Estonia, Latvia, and Lithuania have hard work ahead. But our meeting today convinces me that that work can and will be done successfully.

President Ulmanis. Mr. Presidents, dear audience, everybody who hears me today, I would like to welcome our guests to Latvia, President of the U.S.A. and the Presidents of Lithuania and Estonia.

I think that this is a historic event. It's one more step in the direction of consolidation of Baltic independence. In this connection, I want to announce that the three Presidents of the three Baltic States have just signed a common statement in which the course of events of today have been reflected, and the main problematic issues have been mentioned that either promote or interfere with the consolidation of Baltic independence and economic growth.

I fully agree to President Clinton about the viewpoints and measures and suggestions on which we have achieved mutual agreement. And I would like to lend emphasis on several issues that we discussed in greater details.

The three Presidents of the three Baltic States consider the main issue being the security issue of the Baltic region. The security—and the main issue here is the further cooperation within the project of Partnership For Peace, promotion of activity within this project not only on our side but also on behalf of the U.S.A. and other countries as well as finding the demands that the members of the Partnership For Peace should meet.

We also talked about the duties and responsibilities of the member states of this project. Today we can point out that we have talked about the issues that support partner-

ship should become only one stage in the course of consolidation of peace and security in the region. And the ultimate aim would be the guarantee of national security and joining the security structures.

We also touched the issues of economic growth. It's of course clear that we all want and we are all convinced that Russia will withdraw its army on the 31st of August, and we see no reasons why it shouldn't be completed.

The next issue we addressed was economic issues—economic problems in the Baltic States, and the main issue was the development of energy resources so that the Baltic States could irreversibly become independent. So economic independence is essential for national independence. We talked of gas and electricity and other energy sources. We touched also social issues, educational issues. We talked about how to stimulate the youth from the Baltic States to gain education not only in the Baltic States but so that they can access educational assistance in other countries. We also think that the number of students now studying in the U.S.A. is much too little.

We also addressed the issue of the criminal situation and inner security of the Baltic States. And all the four Presidents supported the importance of this issue, and I understood that the President of the U.S.A. gave us all the grounds to think that the U.S.A. will participate in these processes also with practical assistance and also by sharing their know-how.

Speaking about security, we touched upon the issue of the army, about armament and about further possibilities to create normal mobile defense structures that could guarantee the security of the Baltic States.

Maybe one of the central issues today was the relationship with Russia. We touched upon the issues about the withdrawal of the Russian troops, about the monitor system with regard to Skrunda radar station, about the prospects of the situation in Kaliningrad region, and so on and so forth. It's clear that, speaking about the relationship with Russia, all the four Presidents came to a common agreement that this relationship should be normal, interstate relationship where the in-

terests and rights of all countries should be respected.

I want to express once again my respect and gratitude to the U.S. President who found it possible to visit the Baltic States and talk to the three Presidents of the Baltic States and gave his viewpoint with regard to the further development of the Baltic States.

Thank you.

Now, I would like to ask you to ask questions.

President Boris Yeltsin of Russia

Q. Does your phone call to Mr. Yeltsin on the eve of your visit to Riga have certain concerns about the possible Russian reaction to this visit?

President Clinton. First of all, I called President Yeltsin to tell him where I was going on this trip and to talk about my firm conviction that we must continue with the schedule on Russian troop withdrawal. And that is something I've worked on since I first became President. I've worked very hard on it, and the United States has tried to support an orderly withdrawal in many ways, including funds for housing for Russian troops that are going back home to Russia as well as for dealing with specific issues like this Skrunda radar facility. So I wanted to just get an update from him about where he thought things were and tell him what I was going to do.

He raised the issue, which he always does, about being concerned about the condition—the living conditions and political rights of Russian people who stay in the Baltic States and become part of the minority population of the new democracies here. And I reaffirmed the position that I always have taken, which is the position of the United States within the United States, which is that in democracies, minorities have to have certain rights to participate and are entitled to fair treatment and that was the position of the United States, but that I thought the troop withdrawal should continue on schedule. It was a very straightforward conversation, as all of our conversations are.

Securing Baltic Independence

Q. Mr. Clinton, you and your Baltic colleagues hope that things are going to go right in Russia. But supposing they don't? Suppos-

ing in 2 years' time we have a President Zhirinovsky or some other hard-liner in Moscow? Can you now assure your Baltic colleagues here that America will not permit them again, either by subversion or bullying or any other means, to come back under Moscow's sphere of influence?

President Clinton. Well, sir, the whole purpose of the Partnership For Peace was to move toward that sort of security. Everybody who signed up for the Partnership For Peace had to, as a condition of its participation, recognize the territorial integrity and the independence of all the participating countries, and we now have 21 nations doing that.

I think it is obvious from all of the actions the United States has taken on security, on political matters, on economic matters, that we are trying to do everything we can to secure the independence of the Baltics. I also think it is obvious that we should deal with the world as it is and deal with people based on what they say and do. And I think that's where we are now.

I don't think you should predict the worst in any country. And I can only report to you that we are laying the foundations that I think are most likely to guarantee the long-term security and independence of these nations.

Haiti

Q. We have had a—policy that was announced in Haiti before you left. Right now you are talking about opening new safe havens. It seems sort of confusing to understand why this is going to somehow speed the leaving of the military dictators, what one has to do with the other. Do you have confidence at this point that your policy is really going to lead to the departure of these people?

President Clinton. I think the answer to that is yes, I believe it will. But in May when I announced the original policy of ending direct return, I said we would seek participation as we needed it from other countries, and that's what we're doing. And I think that it's an appropriate thing to do. But I also think the sanctions are having an impact.

Russian Withdrawals

Q. Mr. President, President Yeltsin's wish to tie troop withdrawal from Baltics with the situation of Russian minorities in these countries—I mean, Latvia and Estonia. Thank you.

President Clinton. We believe the two subjects should not be linked and that the withdrawal should continue, but we do support appropriate protections and rights for Russian minorities.

Q. Did you get assurance from the Baltic Presidents that Russian minorities would be treated properly and they would be non-discriminatory? Apparently, they don't feel that way now.

President Clinton. I thought that their statements to me over lunch were quite forthcoming about that. I felt good about it. I believe—let me say—let's look at this in the context of where we are. There is an agreement with Latvia for withdrawal of Russian troops by August 31st. The troop withdrawals would be completed in Lithuania. There are remaining differences to be resolved between Estonia and Russia. President Meri and I discussed that in some detail today, and I think the differences are narrow and will be bridged in the appropriate time-frame. And I'm going to do what I can to be helpful in that regard.

Role of the Baltic States

Q. Mr. President, what is the role of the Baltic States in this post-Communist situation in Europe, and what is the main motivation of your arrival to Latvia today?

President Clinton. Well, the role of the Baltic States in the post-Communist world is, first and foremost, to provide a free and good existence for the citizens of the nations to people who live in Estonia, Lithuania, and Latvia. But I think that the role of the Baltic States is greater than that. First, the Baltic States have agreed to participate in the Partnership For Peace. Secondly, the Baltic States have achieved a degree of economic stability and success that is much admired throughout Europe and indeed throughout the world, different in different countries, perhaps there's a higher growth rate in one country, a lower inflation rate in another country, but certainly, more success than

many other countries have had in converting from a Communist economy to a more open market economy. I think that's also very important.

I came here today because the Baltics are important to the United States. We have one million Americans who have roots in these three nations. We have always recognized these three nations as independent nations. We never recognized the loss of freedom and independence in the Baltics. And we have supported and admired the remarkable transformation in these nations in the last few years.

So I came here to try to build on the successes of the end of the cold war, to enhance our security ties, to enhance our political cooperation, to enhance your economic development and our economic partnership because those things are important to the United States and important to the rest of the world.

Russian Withdrawals

Q. Mr. President—[inaudible]—President Yeltsin—withdrawal in Estonia? And are you taking anything to Naples that you can tell President Yeltsin?

President Clinton. I'm going to Naples, and I'm going to discuss with President Yeltsin the conversation I had with President Meri. And I will continue to do what I have done on this for a year and a half now, to push in a deliberate and firm way and to offer all the incentives we can offer to continue the troop withdrawals.

It's been one of the great successes of the post-cold-war era, a success not just for these countries but a success for Russia as well, in making clear its intentions and making possible its participation in the world in a broader way. But I think it would be wrong to characterize our role as brokers. These are two independent nations. They have to reach agreement between themselves, and I'm confident that they will. If we can assist in that, we're going to do everything we can to assist. But they will have to make the decisions, and I think they will.

Q. Can we get President Meri's reaction? President Meri?

President Clinton. Please! [Laughter] Do you need English?

President Meri. No, I need your question. [Laughter]

Q. Are you as confident as President Clinton seemingly is that Russia will withdraw all of its troops from Estonia by August 31st?

President Meri. Well, let's have it clear why August 31st is so important, not only for Estonians, not only for Latvians but also, and in the first place, for Russia. You see, it is a highly symbolic date, meaning that the last ruins of World War II will be dismantled in Europe, that Europe will enter a new era where we will be in a position to build a security system which will be open, a free market system which will be open, and first of all, of course, a democratic society. That is the meaning of August 31st. It will be a first day of a new Europe, or if not, it will be just an example that we have some problems still to solve. And those are by no means Baltic problems. They are European problems, which means they are global problems.

Thank you.

NOTE: The President's 60th news conference began at 1:40 p.m. in the State Room at Riga Castle. A tape was not available for verification of the content of this news conference.

Remarks to the People in Riga July 6, 1994

Today we celebrate a moment of renewal. Today we remember your courage. Today we rejoice, for one force rules in Estonia, Latvia, and Lithuania, and that force is freedom. Thank you, President Ulmanis, for your gracious words and your warm welcome to this beautiful capital. And my thanks, also, to President Meri and President Brazauskas for your contribution to this historic event. To the people of these lands, to those gathered in this square, to those listening or watching from afar, to all who have kept the faith, I am deeply honored to stand before you, the first President of the United States to set foot on free Baltic soil.

Today we remember, we remember an August day just 5 years ago when the peoples of your nation joined hands in common cause from Tallinn to Vilnius. A million strong, you reached across the boundaries of fear. And here in this square, sheltered by the Free-

dom Monument, that human chain found its center. You showed the peoples of the world the power of the Baltic way.

Now today, I stand with you here. And on behalf of all Americans, I proudly take a place in that unbroken chain for freedom. The chain stretches back to your grandparents exiled to the wastelands of Siberia, many never to return; back to your fathers, men who took to the forests to resist the occupying troops; and to you, who took up their cause, stood vigil over the bonfires of liberty, and sang the songs of independence; and to those in all generations who gave their very lives for freedom. *Vabadus. Laisves. Briviba*. Freedom. No matter what the language, it is the link that unites the peoples of our nation: Estonian, Lithuanian, Latvian, and American, no matter the century, no matter the invader. You have proved that freedom never dies when it lives in the hearts of men and women. You have taught us never to give up. You have inspired the world. And America has kept faith with you. For 50 years we refused to recognize the occupation of your nation. Your flag flew in our capital. Many of your countrymen and women sought refuge on our shores. Now some have returned to serve their homelands, while others remain to keep your spirit alive all across America. The chain that binds our nations is unbreakable.

We marvel at your strength and your reborn independence. But we know also that many of you face hardship and uncertainty in your daily lives, for the path of reform is not always smooth. Yet America calls on you to hold fast to that path, to seize this moment of renewal, to redeem the struggles of your ancestors, to extend the chain of freedom so that it reaches across generations to your children and beyond.

And as you return to Europe's fold, we will stand with you. We will help you. We will help you to restore your land, to bring new markets to light, to find prosperity for all your people. And we will rejoice with you when the last of the foreign troops vanish from your homelands. We will be partners for peace. Our soldiers, the new Baltic battalion among them, will join together to bring security to a new Europe. We will be partners so that your nation can be forever free.

I come from a nation of people drawn from all around the world, a nation of many, many peoples who once were bitter enemies, but who now live together as friends. In your homeland, as in America, there will always live among you people of different backgrounds. Today I appeal to you to summon what my Nation's greatest healer, Abraham Lincoln, called "the better angels of our nature," to never deny to others the justice and equality you fought so hard for and earned for yourselves. For freedom without tolerance is freedom unfulfilled.

The shining figure of liberty stands guard here today, and the spirit of your peoples fills the air and brings joy to our hearts. We hear the songs of freedom that have echoed across the centuries. We see the flames that lit your way to independence. We feel the courage that will keep the chain of freedom alive.

May the memories of this day linger. May the spirit of the Baltic souls soar. May the strong sense of freedom never fade. So, in the name of the free people of the United States of America, I say to the free people of the Baltic nations: Let freedom ring. *Vabadus. Laisves. Briviba*. Freedom.

NOTE: The President spoke at approximately 2:45 p.m. in Freedom Square. A tape was not available for verification of the content of these remarks.

Remarks Following Discussions With President Lech Walesa and an Exchange With Reporters in Warsaw, Poland

July 6, 1994

President Clinton. Thank you very much, Mr. President. Let me say again how delighted I am to be here with my party and with my family in Poland.

We had, from my point of view, a very satisfactory discussion about what we could do together to strengthen Poland in terms of its economic future and its political and security future and about what we could do to continue to integrate the democracies, the new democracies in Central and Eastern Europe into a broader Europe. I think they feel a great solidarity with the people of Poland

in their common efforts to now make freedom work.

President Walesa opened his remarks with a statement that I think may be well-known in Poland but perhaps not so much in the United States. He said Poland's future needed more American generals, starting with General Motors and General Electric. [Laughter] And we talked about what we could do to continue the process of economic reform—after all, Poland had a 4 percent growth rate last year, a very impressive rate of growth—but also to spread the benefits of that reform to the people who are still unemployed and who are having a hard time, not only to ease the pain of this economic transition for them but to raise a better promise for the future.

We also talked about the security future of Poland. And let me just say that the most important thing for the present is that we are having the first Partnership For Peace military exercises in Poland in September. The United States and our NATO allies are very excited about that and deeply impressed that Poland led the way to 21 nations joining the Partnership For Peace. That is the beginning of a process that will not only eventually lead to an expansion of NATO but much more importantly gives us a chance to have a secure and unified Europe in which, for the first time, all nation states really do respect the territorial integrity of one another. And both these developments, the economic developments and the security developments, are due in no small part to the steadfast and courageous leadership that President Walesa has displayed for so many years.

I thank him for that, and I thank him for the opportunity to make these few remarks.

President Walesa. I wish to thank President Clinton for coming to our country. I wish to thank him for the initiatives which we welcome with great satisfaction.

America, as I said at the beginning of my remarks, always held a certain promise for Poland and other countries of the region, but this hope was in a different context. Today, the hope consists in the generals I mentioned, if we could get the American generals, the generals I meant, General Motors and General Electric. Certain proposals have been set to encourage the generals to come

our way, to make full use of the potential that we have. I think after supper we'll find solutions to all the problems.

NATO Membership and Assistance to Poland

Q. Two questions to President Clinton. Mr. President, after Poland has become the most active partner for peace, it's time to start working out some concrete timetable of the Polish NATO journey. Do you agree with the idea? And the second question is we can observe—[inaudible]—that to refer to the Central and Eastern European countries started to go more and more slowly. Does the United States plan to provide some economical, financial support to stop this negative tendency—[inaudible]—to accelerate once again?

Thank you.

President Clinton. First of all, with regard to your first question, I have always stated my support for the idea that NATO will expand. But NATO is a partnership of many nations. I asked the NATO partnership to embrace, first, the Partnership For Peace, so that we would have a way of reaching out to all the nonmember democracies in Europe. I did that as a first step toward expansion of NATO but also because, in my mind, I wanted to see whether there was a real feeling that Europe could be united and that these countries could each pledge to respect one another's borders.

I must tell you that I was surprised that 21 nations, including Sweden and Finland, two formerly neutral countries, asked to be a part of it. So it is taking on a life of, vitality of its own which should not be underestimated. And now what we have to do is to get the NATO partners together and to discuss what the next steps should be. Since that has not been done, I can't really say more about it, because it is a joint decision which has to be made, except to say that I believe that NATO will be expanded, and I believe everyone is impressed by the leadership which Poland has shown.

The answer to your second question is yes, the United States should and will do more to help sustain the process of reform here in Poland and elsewhere, and to help to ease the transition for the people who have still

not found jobs and who still have problems with their incomes.

As President Walesa said in our meeting, many people in Poland who are unemployed are unemployed not because there is overproduction in Poland but because the transition from a Communist-controlled economy to a free market economy has not been completed where they live. We have some experience in dealing with those problems, even though they are problems everywhere, including the United States. And I think we must do more to help, and we will.

Russia

Q. Mr. President, I'm wondering—a question for both of you, sir. I'm wondering about President Walesa's lingering concerns about Russia, and I'm wondering what you have told him to ease those concerns.

President Clinton. Only he can answer the first part of the question. But I will say that from my point of view, we are in better shape now than we were a few months ago. Russia has agreed to join the Partnership For Peace and, therefore, to accept the integrity of its neighbor's borders, the prospect of joint exercises here in Poland and in other countries, and the premise that NATO will expand. At the same time, Russia has brought its deficit down, its inflation rate down, and continues to privatize its economy.

So, in an uncertain world, I think we are doing about as well as we can in moving things in the right direction. And I feel that we are moving in the direction that will maximize the chances of reform and democracy staying alive in all these countries.

President Walesa. Mr. President, my apprehensions amount to 40 percent and my hopes amount to the other 60. If the United States continues to extend its assurances of stability and security in this region of the world, the proportions will change. As for today, we should say that the United States did provide the proper assurances, and the proportion of hopes keeps expanding all the time. Russia, a democratic state, is a free-market economy, is a partner for everyone.

NOTE: The President spoke at 8:25 p.m. at the Presidential Palace. A tape was not available for verification of the content of these remarks.

Remarks at a Dinner Hosted by President Walesa in Warsaw

July 6, 1994

President and Mrs. Walesa, ladies and gentlemen, it is a tremendous honor for me and for our party of Americans and for my family to be here with you in Poland. In this short time, we have felt already your hospitality and friendship. And we see that, just as you rebuilt this wonderful city after World War II, you are now rebuilding this magnificent country after communism. You have enshrined freedom and democracy, and after a difficult beginning, you have achieved a high rate of economic growth. These are tributes to both your people and your leaders.

Mr. President, your personal struggle ever since the events in Gdansk more than a decade ago have inspired people everywhere in the world. In a very real sense, Poland is the birthplace of the new Europe. And in so many ways, you are the father of that wonderful child.

You and many other of your countrymen and women have proved that individual acts of courage can change the world. And in a time when ordinary people all over the world feel helpless in the face of forces shaping and changing their lives, you have proved that ordinary working people can transform their own lives.

Poland has the moral support of all the American people but of two groups, especially: first, the millions of Polish-Americans who share your heritage and the love of your soil and your history and, second, the members of the American labor movement who have supported your struggle from the beginning. And I might say, we are especially glad tonight to have the leader of our labor movement who has been your supporter from the beginning, Mr. Lane Kirkland, with us. Welcome, sir.

As you said, Mr. President, it is now for us to build on what has been done. In Poland, that means a stronger economy and greater security and more concern for those who have been left behind. We know the path of reform is difficult, and special steps must be taken to help those who have not yet seen its benefits. Beyond Poland, it means building a truly united Europe, a Europe united

economically and in its common support for democracy and freedom and territorial integrity.

These things are important to the United States for many reasons. We are on our own journey of renewal at home. But we know that in the end, our success depends upon your success. We seek to be free in a world more free. We know to be prosperous, the world must be more prosperous. We know to be secure, those who believe in the things that we believe in must also be secure.

So tonight, I urge the people of Poland to take pride in your achievements and not to lose hope. The road to the future is not smooth, but you have known difficulties in the past far greater. The United States will stand with you. Our partnership will grow, and Poland will triumph.

And so I raise my glass, Mr. President, in a toast to you and Mrs. Walesa and to the people of Poland.

NOTE: The President spoke at 9:14 p.m. at the Presidential Palace. A tape was not available for verification of the content of these remarks.

Address to the Polish Parliament in Warsaw

July 7, 1994

Thank you very much. Mr. President, Mr. Prime Minister, Marshal Oleksy, Mr. Speakers, and representatives of the people of Poland: I am honored to stand before you today in this chamber, at the heart of Poland's democracy. I know that you have extended your session in order to hear me today, and I am very grateful for your hospitality.

We gather today to honor a friendship that is as old as my Nation. And we honor ties that grow stronger every day. We admire the contributions that Polish-Americans, millions of them, have made and are making to our Nation's strength. And we celebrate the cultural ties that bind our peoples. But at this moment of decision in history, in this time of renewal for Poland and for the United States, Poland has come to mean something even greater, for your success is crucial to democracy's future in Central and Eastern Europe, and indeed, all across the globe.

It has been said that if it were not for the people of Poland, democracy might have perished on the continent of Europe a half-century ago. For it was the Polish mathematicians from the laboratories of Poznan who broke the secrets of the Enigma Code, what Winston Churchill called the most important weapon against Hitler and his armies. It was these code-breakers who made possible the great Allied landings at Normandy, when American, English, French, Canadian, and yes, Free Polish forces joined together to liberate this continent, to destroy one terrible tyranny that darkened our century.

Yet, alone among the great Allied armies who fought in Normandy, the Poles did not return to a liberated land. Your fathers instead returned to a nation that had been laid waste by its invaders. Then one would-be conqueror gave way to another, and an Iron Curtain fell across your borders, a second foreign tyranny gripped your people and your land.

It was here in Poland that all those who believe communism could not stand, first found their hopes fulfilled; here that you began to hammer on the Iron Curtain and force the first signs of rust to appear; here that brave men and women, workers and citizens, led by *Solidarnosc*, understood that neither consciousness nor economics can be ordered from above; here that you showed the peoples of Central and Eastern Europe that with hearts and hands alone, democracy could triumph.

But I come here today not simply to recall the events of 50 years past or even to rejoice at those of 5 years ago, for others have done that and done it very well. Instead, I come to the heart of a new, democratic Central Europe to look ahead, to speak of how we can reverse the legacies of stagnation and oppression, of fear and division; how we can eradicate the artificial lines through Europe's heartland imposed by half a century of division, and how we can help chart a course toward an integrated Europe of sovereign free nations.

The challenges our generation faces are different from those our parents faced. They are problems that in many cases lack pressing drama. They require quiet and careful solutions. They will not yield easily. And if we

meet them well, our reward will not be stunning moments of glory but gradual and real improvement in the lives of our people.

We must find the will to unite around these opportunities of peace as previous generations have united against war's life-or-death threats and oppression's fatal grip. To the courage that enables men and women to drop behind enemy lines, face down rumbling tanks, or advance freedom's cause underground, we must add a new civil courage: the energy and optimism and patience to move forward through peaceful but hard and rapidly changing times.

Our course must be guided by three principles: supporting democracy, advancing free markets, and meeting new security challenges. Half a century after our fathers beat tyranny into submission and half a decade after the Soviet empire collapsed, the voices of violence and militant nationalism can once again be heard. Would-be dictators and fiery demagogues live among us in the East and in the West, promoting ethnic and racial hatred, promoting religious divisions and anti-semitism and aggressive nationalism. To be sure, they are weak imitators of Hitler and Stalin, yet we dare not underestimate the danger they pose. For they feed on fear, despair, and confusion. They darken our road and challenge our achievements.

In this fight, democracy remains our indispensable ally. For democracy checks the ambitions of would-be tyrants and aggressors. It nurtures civil society and respect for human rights and the habits of simple tolerance. Its progress is slow and uneven, and as you doubtless know in this chamber, occasionally frustrating. But it cements economic reforms and security cooperation. And it offers once-captive peoples the opportunity to shape their own future.

Five years ago, your nation seized that opportunity. Discarding dictatorship and a failed command economy that was imposed upon your nation, you stepped into the unknown and started to build a free market economy. Doubters said that it couldn't be done, but the Polish people have proved those naysayers wrong. Poland's reforms are working. You are beginning to win the struggle for economic transformation. You have ended hyperinflation, stabilized your cur-

rency, privatized enterprises that drive growth, and doubled your exports. You have proved that free people need not wait for the state to tell them what to do. You have demonstrated an entrepreneurial talent that generates one of Europe's highest growth rates.

But we must be sober and honest in our judgment. When you began this process the old Communist economic system was already collapsing. You knew then your journey would be difficult at best. And although many Poles are prospering today, many others have lost their jobs through no fault of their own, and their hardships abound. In a time like this it is easy to focus on that pain, not on the promise of reform.

My message today to the people of Poland and to all the people of Central and Eastern Europe is simple and direct: Free markets and democracy remain the only proven path to prosperity and to peace. You must hold hard to those tracks. Sustain the civil courage that has brought you so far so fast, and do not give up or turn back. You will not be alone.

The United States has stood with you since you began to build the modern economy, and we stand with you now. America is the number one investor in Poland, with \$1.2 billion already in place and much more on the way. The American people are proud to have supported Poland as you have put tens of thousands of your people to work, created thousands of new enterprises, and begun to free your economy from its inherited burden of debt.

Today we are announcing new initiatives that will pump hundreds of millions of dollars into the Polish economy. For example, our Government, along with some of our Nation's largest labor unions, has established a \$65 million Polish Partners Fund to promote new investments in business. We are also working to quicken the speed of privatization, to assist people in finding new jobs and housing, to help protect your citizens from the economic pirates of organized crime.

Taken together, these goals—hopeful citizens, thriving entrepreneurs, new investments and expanded trade—are the future pillars of a prosperous, reformed Poland. Economic reform and democracy, though

important, however, will only flourish if the free peoples of Central and Eastern Europe are also secure.

In moving to guarantee its own security, Poland has indeed become a model for the other nations of Central and Eastern Europe. Your decisions to establish good relations with Russia, Ukraine, Germany, and Lithuania are shining examples of the potential for peace that the new Europe provides. At this moment, in fact, Poland faces what may fairly be described as its best prospects for peace and security in 350 years. And yet, as you have taught us, we must not forget the lessons of history. There appears to be no immediate or short-term threat to Polish sovereignty, but history and geography caution us not to take this moment for granted.

When my administration began, I stressed that Poland's security and the security of all democratic nations in the region is important to the United States. In January of last year, when I visited Prague and met with the heads of the Visegrad nations, I learned a Polish phrase: *Nic o nas bez nas*, "Nothing about us, without us." That phrase echoes in my mind today as we solidify and search for a new security arrangement in Europe. Because the simple fact is that Poland should never again have its fate decided for it by others. No democracy in the region should ever be consigned to a gray area or a buffer zone. And no country should have the right to veto, compromise, or threaten democratic Poland's or any other democracy's integration into Western institutions, including those that ensure security.

I know that these are ambitious goals, but history has given us a rare opportunity, the opportunity to join together and to form a new, integrated Europe of sovereign nations, a continent where democracy and free markets know no borders, but where nations can rest easy that their own borders will always be secure. This is the vision behind the Partnership For Peace.

Twenty-one nations have now joined that Partnership since we began it, and they are already moving to fulfill the dream of a unified and peaceful Europe. They have sworn not only to pursue democracy but also to respect each other's sovereignty and borders. They are moving along a course that is both

visionary and realistic, working for the best while always preparing for the worst.

Poland, as all of you know, has taken a leading role in the Partnership For Peace, and I am proud and pleased that some 2 months from now your nation will host the first Partnership exercise on the territory of a former Warsaw Pact state. For the first time since 1945 Polish and American troops, troops that once faced each other across the Iron Curtain, will train together on the plains of Europe.

The United States recognizes that full participation in the Partnership requires resources. And I am pleased to announce today that I will ask our Congress to designate \$100 million, effective in the fall of next year, to help America's new democratic partners work with us to advance the Partnership For Peace's goals. In response to your nation's demonstrated commitment to security and democracy, I will ask that fully one-fourth of that money, \$25 million, be directed to Poland.

But the Partnership For Peace is only a beginning. Bringing new members into NATO, as I have said many times, is no longer a question of whether, but when and how. And that expansion will not depend upon the appearance of a new threat in Europe. It will be an instrument to advance security and stability for the entire region. We are working with you in the Partnership For Peace in part because the United States believes that when NATO does expand, as it will, a democratic Poland will have placed itself among those ready and able to join. The Partnership For Peace and planning for NATO's future mean that we will not let the Iron Curtain be replaced with a veil of indifference.

I have learned another Polish phrase which, even in my tortured accent, well describes our goal for a more secure, democratic, and prosperous Poland: *Rowni z rownymi, wolni z wolnymi*, "Equal among equals, free with the free." It is time to bring that phrase to life.

Here in the middle of the rebuilt city of Warsaw, we are reminded that the Polish people have always fought for that right. Fifty years ago this month, the Polish home army was planning the greatest urban uprising of

this century. On August 1st, Polish heroes seized much of their city preparing for liberation. The uprising ended in ruin. Some of the heroes perished; others escaped. Yet amidst the flame and the rubble, a lone radio signal could be heard in the West: "Immortal is the nation that can muster such universal heroism," came the broadcast from Warsaw, "for those who have died have conquered, and those who live on with fight on, will conquer and again bear witness that Poland lives while the Poles live."

Here in the heart of a free Poland, you can hear the echoes of that broadcast today. So now let us summon the civil courage that will keep your nation forever free.

Thank you very much.

NOTE: The President spoke at 2:35 p.m. at the Parliament Building. In his remarks, he referred to Jozef Oleksy, Marshal of the Polish Parliament.

Remarks at the Children's Memorial in Warsaw

July 7, 1994

The President. Thank you very much, Ryszard Paclawski, Adam Bielaczki. And to Magda Kierszniewska, didn't she do a good job? Let's give her another hand. [Applause]

We are gathered at the wall of an old city to honor a people whose love of freedom is forever young. Fifty years ago a heroic chapter of history was written here, a chapter stained with the blood of war but brightened by the enduring power of the human spirit. Next month you will honor that spirit by marking the 50th anniversary of the Warsaw Uprising. And I am pleased to say that the Vice President of the United States, Al Gore, will be here with you in August, just as I am today.

The seeds of rebirth that are now flowering across this wonderful country were planted a half-century ago. When the brave Poles took up arms against Hitler's tyranny in the summer of 1944, Warsaw was on the verge of total destruction. For 63 days, Polish men, women, and children struggled against the Nazis. For 63 days they faced the tanks, machine guns, and bombers with courage and faith and solidarity. Two hundred thousand

of them died. And this beloved city seemed beyond salvation.

I have seen photographs of Warsaw at the end of the war. An exquisite city that took six centuries to build was razed to the ground in 2 monstrous months. The statue of King Zigmund was toppled from its base, an elegant column literally blown to bits. The majestic arches of St. John's Cathedral were battered until only a skeleton remained. The Old City marketplace was obliterated.

No one sacrificed more than the children. The statue behind me honors the children of the Warsaw Uprising. The terror of war took their innocence. Their childhoods were buried in the rubble. Young girls braved sniper fire to deliver messages for the Resistance, and the *Szare Szeregi*, the Young Scouts, faced the frontlines of battle.

Thousands of children witnessed the unimaginable. One boy was 8 years old when the bombs began raining down, when the Nazi planes destroyed the building where he lived, when his family courtyard was turned into a graveyard for his neighbors. But that little boy survived. He never forgot Warsaw, and he never gave up trying to give meaning to the tragedy. Today, that little boy is the highest ranking military officer in the United States of America, General John Shalikashvili, Chairman of the Joint Chiefs of Staff, who has dedicated his life to the fight for peace and freedom.

His life, like the lives of so many other children of Warsaw, teaches us what Poland taught the world: out of the wreckage of oppression can grow the redeeming spirit of freedom. Some of those other children, now grown, are with us today. Let us thank them all for that profound lesson. [Applause]

Sometimes in life, we do not realize the good we have done. Fifty years ago, the heroes of Warsaw seemed defeated. Fifty years later, we know the Polish spirit did not die in the ruins. Sometimes what seems to be the final chapter in history is but one sad page of an unfinished and triumphant story.

The Polish people never gave in to the shadow of despair. They found strength through the light cast for the uprising, and after the war the survivors returned to the ruins. Brick by brick, with cold and tired hands, they rebuilt this city. Day by day, they

revived a nation, even as new invader overwhelmed the homeland they loved. For five more decades, as Poles had done for centuries in the face of attack and invasion, they held fast to their dreams; they endured the darkness of domination; they prepared and fought for a new day to come.

Just as the men, women, and children of the uprising won their fight, so you in this generation have won yours. Warsaw is not a city under siege but a city in peace. Poland is not a nation consigned to the darkness of tyranny but a nation inspiring the entire world in a season of renewal.

This moment reminds all of us that darkness could always enshroud us again, that fear and intolerance do find new lives of their own. But let us remember the words of the Polish philosopher, Joachim Lelewel, a great Polish thinker who said, "The last bastion of our nation is our people's heart, and that bastion will never be conquered."

That is the lesson of the Warsaw Uprising. That is the lesson of democracy's triumph in Poland today. And that is the lesson that we as free peoples, Polish and American, must embrace.

Today we have no doubt that the children of the Warsaw Uprising won their larger war, for the hearts of the free can never be conquered.

Thank you very much.

NOTE: The President spoke at 3:25 p.m. In his remarks, he referred to Ryszard Paclawski, Adam Bielaczki, and Magda Kierszniewska, children who participated in the ceremony.

Statement on the Flooding in Georgia

July 7, 1994

The people of Georgia are in our thoughts and prayers as they work to recover from this devastating storm.

NOTE: This statement was part of a White House announcement on disaster assistance to Georgia.

Letter to Congressional Leaders Transmitting a Report on Cyprus

July 7, 1994

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I am submitting to you this report on progress toward a negotiated settlement of the Cyprus question. The previous report covered progress through March 1, 1994. The current report covers the remainder of March through May 20, 1994.

This has been a very active period for negotiations on the U.N. proposed package of confidence-building measures. I hope that in my next report, I will be able to state that progress has been made.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Claiborne Pell, chairman, Senate Committee on Foreign Relations. This letter was released by the Office of the Press Secretary on July 8.

The President's News Conference With Prime Minister Tomiichi Murayama of Japan in Naples, Italy

July 8, 1994

The President. Good afternoon. I am pleased to have had the opportunity to meet with Prime Minister Murayama for the first time. We had a warm and productive session in which we reaffirmed the strong relationship between our two countries.

We began our talks with a discussion of North Korea and the fresh opportunity to resolve the situation that our common determination and diplomacy have produced.

This is an important day. The third round of high-level talks is now beginning in Geneva. During those talks, North Korea has agreed to freeze verifiably the reprocessing and refueling elements of its nuclear program. Throughout this process, we have worked very closely with Japan and the Republic of Korea as well as with Russia and China.

I'm especially pleased by the assurances of Prime Minister Murayama this morning

of the continuity of Japanese foreign policy and our security relationships. We agreed to continue frequent consultations on the Korean situation.

The Prime Minister also described his plans for increasing Japan's economic growth and his policy of working toward global growth. I support the Prime Minister's measures to spur Japan's economic growth and to pursue strong open market efforts through GATT. I urged the Prime Minister to also pursue strongly our framework talks and our common efforts to complete the GATT this year.

We discussed this weekend's G-7 meetings, agreed that in this meeting the G-7 leaders should turn to a long-term emphasis for laying the foundations for the global economy of the 21st century.

In closing, let me reaffirm my view that there is no more important bilateral relationship in the world than that between the United States and Japan. I believe that Prime Minister Murayama and I can build on the relationship that we began today to make real progress in all aspects of the Japanese-U.S. relationship, security, political, and economic. I look forward to the opportunity to turn today's constructive talks into constructive action.

Mr. Prime Minister.

Prime Minister Murayama. Thank you. For about an hour and a half I had exchange of views with the President. I very candidly explained the Japanese political situation today. For as many as four times the government changed within a year in Japan, and I believe that there are some people who take various views about the situation. I wanted the President to have a full understanding of the situation.

For 38 years, one party was in power, and now we have shifted over the days of coalition. And Japanese politics will be changing significantly. And after a change, we believe—in order to change the policy of Japan we also need a stable government. So the Liberal Democratic Party, the Japan new party, the Social Democratic Party of Japan and—organized into a coalition in order to try and find out the future course of Japanese politics. And in a word, as the President has just said, we shall continue with the foreign

policy that our past governments have maintained. The Japan-U.S. security system will be maintained as well.

As for Japanese domestic politics, we shall actively pursue reforms. To that end, we absolutely need a stable government. That is what I explained to the President, and I believe the President understood it in full.

A continuation of Japan-U.S. relations in a favorable state will be very essential in making sure that Japan and the United States will be able to address important situations around the world properly. And we, therefore, I told the President, would like to maintain steadfastly the Japan-U.S. relations.

On the economic front, Japan will work to recover the economy on the strength of domestic demand and ensure sustainable growth of the Japanese economy. The U.S. economy is on the track toward expansion, and we also see that the Western European economies are gradually moving on to recovery.

So how are we to manage Japanese domestic policy, economic policy, bearing in mind such economic situations around the world? And I made three points that, first of all, we shall continue with a tax cut next year at the same level as this year. Now, as I mentioned, Japanese public investment is gradually improving, and personal consumption is gradually improving, and fiscal—is proceeding.

In order to further give strength to the Japanese recovery we should like to further review public investment, qualitative and quantitatively. We have set on 430 trillion yen over a 10-year period. We shall review qualitative and quantitatively this amount and rethink the amount. And also, in terms of public investment and distribution of that amount, we shall shift emphasis to the consumer and try to expand the Japanese economy on the strength of expanding domestic demand. And this was kindly understood by the President.

We also discussed North Korean issue and others as well. And fortunately, thanks to the tenacious efforts by the United States, now U.S.-North Korean talks are proceeding in Geneva, and soon there will be North-South Korean summit talks as well. And we very much hope that through dialog the matters will be resolved, and we should like to do our best to that end. And Japan, U.S., and

South Korea will have to maintain close contact with each other in order to achieve that. And we have a common understanding on that point.

Inclusive of this, as well as other points, Japan and the United States, to the maximum extent possible, should maintain good relations with each other not only in the interest of our two countries but for the entire world. And this again we see eye-to-eye with each other.

Thanks to the meeting this time, I, at a personal level as well, I believe have been able to have the President's understanding and the President's suggestions not only in word but in deed—that is show what we can. And so in good faith we'd like to continue to promote good relations between Japan and the United States.

Thank you very much.

The President. Let me say, as we begin now, by prior arrangement we're going to take a couple of questions today from the American press and the Japanese press. And then I'm going to meet with all of you again in the news window in a couple of hours. But we'll start.

Helen [Helen Thomas, United Press International].

Japan-U.S. Trade

Q. Mr. Prime Minister, you didn't mention trade in a very strong way. And there is a perception in the United States that Japan likes to sell to us but doesn't really want to buy many of our products. And you didn't talk about widening and opening your markets, which is apparently the crux of our problem. What's your answer to that?

Prime Minister Murayama. May I? Well, as I mentioned earlier, we decided on 279 derivation items, and we shall continue to promote deregulation, for that matter. And also, we shall decisively promote market access opening, trade liberalization, so that U.S. products as well as others will flow into the Japanese market and the Japanese consumers will be able to enjoy the benefits of those products. And so we should like to promote two-way trade and not that we are disliking American products or anything.

The Yen and the Japanese Government

Q. Mr. Prime Minister, I'd like to ask two questions. First of all, the precipitous yen appreciation is shaking the Japanese industry. To what extent did you discuss that matter? And the other question, with regard to maintenance of Japan, your security—you are Prime Minister from the Socialist Party, and I wonder, do you think that you've had the understanding of the President on your position?

Prime Minister Murayama. With regard to yen appreciation, there is—macroeconomic conditions lie behind that situation, I believe. And I don't think that they'll be stipulating an exchange rate immediately. However, if countries around the world, and especially Japan and the United States, should—or at least these two countries should—take policy that is conducive to more stable exchange rates in cooperation with each other. So we hope that those responsible for the matter will talk to each other and work at it properly. There is a common understanding on that.

With regard to the security system, there was a clear-cut understanding when we established a coalition government, and the Social Democratic Party of Japan will adhere to that understanding. This government is not led by ideology, but rather politics today is led by pragmatic policy. That policy must keep abreast of reality, and I'm sure we would have to promote policy that will be supported by the general public as well. And I don't see any contradiction between security and our policy.

Global Economy and Trade

Q. President Clinton, I'd like to ask what your impressions were of the situation involving the yen and the dollar. And also, do you feel that Japan has made sufficient progress in the year since the last G-7 on opening its markets to the U.S.?

The President. First, with regard to the yen and the dollar, I think that the relationship of the yen to the dollar is obviously a function of the movement of world currency markets, which have something to do with macroeconomic realities and something to do with perceptions and movements in the market. I think it's important not to overreact.

The United States does not seek to grow its economy or change its trade balance through a low dollar; we do not want that. We want the dollar to be properly valued, not undervalued. We want to grow through productivity and economic strength.

But I think, on the other hand, it would be a mistake for us to change the fundamental objective that we all ought to have, the one we agreed to here at the G-7 last year, which is to pursue global growth. The United States was asked to bring its budget deficit down; we have done that in a remarkable fashion and more than anyone thought we could.

Europe was asked to lower its interest rates, and they did that for a year. Now, they've gone up again in the first 6 months of this year, largely because of the signs of new economic growth. Japan was asked to expand its economy through domestic stimulation, and the Prime Minister has reaffirmed his intent to pursue that course.

Now, if you look at what's happened in the last year, we have had growth in the G-7, and we have had growth without inflation. If we continue to pursue growth without inflation and to work on generating new jobs out of that growth, then eventually the macroeconomic realities will assert themselves, and the currencies will be righted according to market conditions. I think that is what will happen. And I think it's important that we not lose sight of the real economy in which the people of the G-7 nations and indeed the people of the world live. So that's what I think about that.

On the second question, my candid answer would have to be no. But I think if you look at—the Prime Minister was very good—basically run through the last year of Japan's very interesting political history with me in a way that, frankly, increased my own understanding not only of what has happened but of the nature of this present coalition government. It is frankly difficult to imagine how the hard issues that are the subject of the framework talks could have been resolved against a background of as much political change as the nation has sustained in the last year.

So I think what I'm looking forward to now is a resumption of the talks in good faith and

continued progress. And I was encouraged by what the Prime Minister said about wanting more open markets, wanting more American sales.

There have been, I might add, some specifically encouraging developments. The United States was able to sell rice in Japan in substantial quantities this year. Even though the number is quite small, there's been a substantial increase in the sale of American automobiles in Japan partly, I might add, due to the aggressive efforts of our auto companies to build cars with the driving mechanisms on the right side of the car from the point of the view of the Japanese and to do some other things that are important, so I wouldn't say the signs are all bleak. My answer is, no, we haven't made enough progress, but I think we may be in a position now and in a more stable position to make some progress, and that's what I'm looking toward.

We agreed to stop at the three questions, so I will honor my agreement, and I'll meet with the American press again later today in a few hours.

Thank you.

NOTE: The President's 61st news conference began at 12:31 p.m. at the Hotel Vesuvio. A tape was not available for verification of the content of this news conference.

The President's News Conference in Naples

July 8, 1994

The President. Good afternoon. During this trip we are addressing three concerns that will determine whether we have a peaceful and prosperous future.

In Latvia and Poland and later in Germany, we are focusing on the aftermath of the breakup of the Soviet empire and the need to strengthen democracy and economic growth there, to work for a united Europe that can be a partner in trade and a partner for peace. Second, we are working against nuclear proliferation.

In Geneva, the third round of talks between the United States and North Korea has just begun today. Here in Naples, at my first meeting with Japan's new Prime Min-

ister, Mr. Murayama and I had a very good discussion about the North Korean situation, and the Prime Minister praised what he called the United States tenacious efforts and pledged his continuous support in our non-proliferation efforts.

Finally, as the world's leading economic powers gather tonight for our annual summit, we will act on the third and in some ways the most important issue of this trip, economic growth. I'm here to keep our economic recovery going back home by promoting economic recovery throughout the world. More than ever, what happens in the world economy directly affects our ability to create jobs and raise living standards for our own people.

For too long, our leaders ignored the economic realities. At home, our economy drifted; the deficit exploded; the middle class suffered. Now, with the strategy for renewal, we have taken action. We are putting our economic house in order, cutting our deficit in half, and reducing the Federal work force to its smallest level in 30 years. We're expanding exports by tearing down trade barriers and preparing our workers and our children through better education and job training for the jobs of the 21st century.

The economy has responded. I'm pleased to report today that in the last year and a half our economy has created over 3.8 million jobs, 380,000 in the last month alone, and the highest number of manufacturing jobs in the last 4 years. Ninety-two percent of those new jobs are in the private sector, and last year more new businesses were incorporated than in any single year since the end of World War II. Our economy is coming back on its soundest footing in decades, with more jobs and low inflation. In fact, we're leading the world.

America has 40 percent of the G-7's gross domestic product but provided 75 percent of the growth and about 100 percent of the new jobs over the last year. Growing our economy and shrinking our budget deficit from the biggest among these nations to one of the smallest gives us the authority to speak and the credibility to be heard on the matters of discussion here.

Our partners are making progress, too. The growth strategy we urged the world to

adopt at the G-7 meeting in Tokyo last year is working. The economy is recovering worldwide. We produced a landmark GATT trade agreement, and Russia's economy is making progress as well, with lower inflation, a reduced deficit, and more and more people working in the private sector.

Now in our meetings this year, on behalf of all the American people, I'm urging the G-7 leaders to keep the world recovery on track. This weekend we will take steps on four fronts: First and foremost, we will continue to work to spur growth and create jobs. One of the most important ways to do that is for all of us to actually enact the Uruguay round of the GATT agreement this year. Passing it this year, immediately, will provide a shot in the arm for the world economy. We must maintain this momentum toward a more open world economy. I'll urge my G-7 colleagues to review and analyze the remaining trade and investment barriers and to report back to us in Halifax next year. But these meetings will go beyond the traditional concerns of G-7 summits to the traditional concerns of working people and their families. We will address the education, the training, the job skills of our working people, building on the jobs conference in Detroit earlier this year. This will be an historic first for the G-7.

Second, we'll begin to build the telecommunications infrastructure of the new information-based global economy, without which we can't take full advantage of our efforts to tear down trade barriers.

Third, we'll focus on the explosive mix of overpopulation and environmental degradation that could overwhelm all of our own economic efforts.

Finally, we'll continue to help the economies of Central and Eastern Europe through long-term reforms, trade, and investment. As a priority we plan to offer our support and advice to the Ukrainian Government on economic reform and on nuclear safety. And President Yeltsin will join in our political discussions for the first time this year as a full and equal participant.

We know these issues will not be resolved overnight. But I have no doubt that for every American and for people all over the world,

we must work together to build these foundations of the future.

Now, before I close and take questions, let me say a brief word about the people back home in America who are battling the fires and the floods. This a time of particular difficulty for many of them. We've lost many lives in the fire fighting in the West and Colorado, and we have problems in other States there. And of course, we've had the terrible floods in Georgia, the problems spreading to Alabama and Florida. My thoughts and prayers are with the people back home who are battling these fires and floods and especially with the families of those who have lost their lives in the disaster.

I have spoken with the Governors of Colorado and Georgia, and I have instructed all the Federal Departments who can help to make their most aggressive efforts to do so. I am convinced that at this time we are doing everything we can, but the situation remains difficult on both fronts.

Haiti

Q. Mr. President, more than 16,000 Haitians have fled in boats in recent weeks, giving rise to talk that it's going to require a military invasion to depose the military leaders of Haiti. Do you think that that's increasingly likely, and what is in the U.S. national interest of such a move?

The President. Well, let's divide the two things if we can. First of all, as Amnesty International has recently reported, the human rights violations in Haiti are on the increase; the use of murder, rape, and kidnapping as a means of maintaining political control has intensified; we have seen the gripping pictures of more people lying dead in the streets.

I think, overwhelmingly, the reason for the increased exodus, people looking for safety, is the violation of human rights by military dictators who overturned a legitimate election and who broke their own word to leave. And I don't think we should lose sight of that.

In the face of these continuing human rights violations and their intensification, the United States determined that its policy of direct return should be changed. I did not believe that policy was sustainable, given what we knew about what was happening in

the human rights area and the fact that the government had blocked all reasonable attempts by citizens to restore economic growth and political democracy.

Now, we have interest in what happens in Haiti. There are a million Haitian-Americans. There are thousands of American citizens trying to survive and live and work in Haiti. We have an interest in promoting democracy in the area. Cuba and Haiti are the only two countries in the entire hemisphere now that are not ruled by democratic governments. We have an interest in seeing that the United Nations and its work is upheld, and there was an agreement—the Governors Island Agreement—signed in the United States in which the rulers, the military leaders committed to leave. So we have very clear and significant interest in addition to the massive outflow of people seeking refugee status in our country, which is a significant problem.

But I want to divide what is happening there with the refugees from the question of how best to deal with it. We are working on very tough enforcement of the sanctions, and we have not ruled other options out.

Decline of the Dollar

Q. Mr. President, regarding all the progress that's been made over this past year on the economic front, many people are confused though because the dollar has dropped to almost a record low, especially in connection with the yen. How do you explain this tremendous loss of faith in the dollar when you point to these economic achievements over the past year?

The President. Well, first of all, I think it's important that you pointed out that the dollar has dropped to an historic low against the yen only. It's also dropped some against the mark but well within historic variations. And that's partly because the economy is picking up in Europe as well, something that we really want to happen, and we hope that it will continue to pick up.

I think that the main reason is a macro-economic reason, the persistent existence of the trade debt surplus that Japan has with the United States and the fact that over the past year the Japanese economy has been flat except for a good first quarter, so that there's not been the capacity to reduce the trade

deficit through buying more American products. And Japan, as the Prime Minister said today, has had a number of changes of government so that there has not been the political capacity to reach any agreements which would permit the trade deficit to narrow. And as a result of that, the currency values have changed to try to reflect that reality.

I still believe that the best thing we can do is to keep focusing on the fundamentals. If America is leading the world out of a global recession, we should be very concerned about the value of our dollar, and we should tell the world that we do not wish to have a low dollar so that we can have more American goods bought and so that we won't buy more foreign goods. We do not wish to seek prosperity through devaluation of our currency, but we do wish to continue our own growth and to promote growth in Europe and Japan. As Japan grows and engages us on the framework talks and continues to open its own economy, as those three things happen, you will see the value of the dollar rebound because the trade situation will right itself.

We ought to follow the economic fundamentals in the real economy, and that's what I'm trying to do.

Haiti

Q. Mr. President, in the past when Presidents have ticked off, as you did just moments ago, American interests in a place where there's trouble, it has often been the precursor of at least serious consideration of military action. Would it be fair to say, sir, that you at least are seriously considering that? And could you give us some of the up side and down side of a possible action of that kind?

The President. It would be fair to say that my position has not changed since I first commented on that a few months ago. I do not believe that we should rule out any option. I believe we should continue to pursue the aggressive use of sanctions. I believe we should continue to call on the leaders of Haiti to leave now. They promised to leave. They continue to violate the international community's sense of decency and to violate human rights, and they're in there illegally, and they ought to go.

Bosnia

Q. The contact group has presented a take-it-or-leave-it plan for the party, a plan that basically ratifies ethnic cleansing in several areas. Could you explain how your thinking shifted on this, how you came to believe that stopping the war was more important than taking the moral high ground on this issue?

The President. First of all, the contact group has worked with all the parties there. We were successful, as you know, in helping to get the Croats and the Bosnians back into a federation where they were working together. This contact group proposal would restore to that federation something over 20 percent of the land in Bosnia and would provide still for a loose federation involving all three major ethnic groups.

It seems to me that that is a fair and reasonable way to proceed and that the people who have followed this most closely believe that this is the most just result that can be obtained while bringing an end to the conflict.

The United States has spent about a billion dollars a year there, has done its best to contain the conflict: We have our troops in Macedonia; we have used our air power through NATO; we have supported the creation of the safe zones; and we have supported the contact group's efforts as a way of recognizing what can most nearly be done to reconcile these interests with the termination of the war.

I think it's fair to say that the contact group believes that this is the fairest proposal that can be achieved to all the parties concerned and still bring a fairly rapid end to the bloodshed, which is something that's in the human rights interest to all the people involved.

Haiti and Ukraine

Q. Can you tell the Congressional Black Caucus in good conscience that Haiti is a regional issue that doesn't have a role here, but yet Ukraine is a place which deserves possibly billions of dollars in international aid and will be one of the focuses here?

The President. Well, first, let me say that both France and Canada, two other members of the G-7, have served as friends of Haiti. There are a lot of Haitians in Canada, and

France has historically had an interest in it. So I think we will be discussing it.

Secondly, we have intensified our humanitarian assistance to Haitians, both to feed more Haitians and to provide more medical assistance there, so as to offset the impact of the embargo. So I do think it's an important thing.

But the difference is that Ukraine is part of our historic mission to try to unify Europe around democracy and market reforms and a new sense of common respect for national borders and common commitment to mutual security. There are 60 million people who live there, and their fate and what happens to them is of immediate and pressing concern to the rest of Central and Eastern Europe as well as to Western Europe.

I might say that when I was in both Latvia and Poland the first subject which came up after the interest of the countries that I was visiting, on their initiative, was the future of Ukraine. I think it is very important, and I don't think one should be used to denigrate the other.

Andrea [Andrea Mitchell, NBC News].

Panama

Q. We've spent our lives, American lives, and many dollars to restore democracy to Panama. Can you explain to the American people how an ally such as Panama could now be refusing to help us out of this crisis? And does the increasing flow of refugees, if it continues, make it more likely that you will have to resort to some military option because we have no place to put these unfortunate people?

The President. I believe we will be able to develop a network to deal with them. The Panamanians will have to explain their own actions and their retraction of their former position. That is not for me to do. But I will say this: I appreciate what Granada, Antigua, Dominica have done in agreeing in principle to help us with this. And Mr. Gray is working hard with them and with others to develop a network which will permit us to deal with those who are seeking safety. And I think we'll be able to do that.

Q. How do you feel about what Panama has done?

The President. Well, I'm disappointed. But my concern right now is to build a network of friends in the hemisphere who agree that the Haitians are entitled to consideration here and who want to help us to do it. And I'm grateful for the three nations who do want to help us to do it.

The Economy

Q. Mr. President, a strong unemployment report today in the States has given rise to concerns that the economy might actually be overheating. Do you think that the Fed should raise interest rates again to counteract that possibility?

The President. I don't think I should depart from my past policy of not commenting on the Fed's actions. But let me say, the evidence, if you read it, is encouraging on the inflation front. While 380,000 new jobs came into the economy in the last month—and we're now up to 3.8 million in the first 17 months of our administration—the wage levels did not go up a great deal, the working hours did not increase a great deal. It appears that, among other things, you've got a lot of young people coming in for summer jobs and more robustly than normal, and you also have some employers switching from using more overtime to actually hiring more workers as they have greater confidence that we're going to have a sustained recovery.

I don't think we should do anything to undermine the recovery when we have still Americans who need jobs, we have still Americans who are working part-time who wish to work full-time, we have parts of America that have not felt the recovery, and we have no evidence of inflation.

The real key is, is the economy generating real genuine substantiated fears of inflation? The answer to that is, no. If you look at the wage levels and the other indicators, we're having a growth with low inflation, really for the first time in 30 years an investment-led growth. We're leading our partners in the rate of investment, in the rate of productivity growth, in the rate of export increase. And I think we ought to keep it on that track. I don't think we should reverse course.

Russia

Q. Mr. President, what are you going to tell President Yeltsin when you see him about the extent of the U.S. ability to help him when in Russia right now there is great concern that the U.S. has reached, essentially, the extent of its ability to help, and it isn't felt to be very much?

The President. I think we've done quite a lot. But let me say, we just had a new energy deal signed there as a result of the work of the Gore-Chernomyrdin Commission, which is a multibillion-dollar energy deal. I think that Russia always felt that most of our help to them would come through private investment in their country, not through tax dollars.

Given the commitment we have made to reduce the deficit in this country and the fact that I've presented a budget that eliminated over 100 Government programs and cut 200 others, we've been, I think, quite generous in our governmental assistance to Russia. But what we really want to do is to help them to grow their economy through the private sector and to make Russia more attractive for private American business and individuals to invest and to help them grow in that way.

And I think the work that we're doing with them on energy and on privatization and, frankly, on housing for the soldiers that are coming home, a lot of these things will help to generate more private sector development over the long run. And that is a long-term commitment of the United States that we're not going to weaken on.

Decline of the Dollar

Q. You're putting economic growth at the top of your list of priorities. Does that account for the fact that you do not want any sudden action at this G-7 summit with regard to the dollar; that you feel that if there were international concerted intervention currency markets or a common strategy to raise or lower interest rates to stabilize currencies, that that, in fact, would hurt the recovery and the growth that you're talking about?

The President. Well, first, let me answer the first question. We have participated twice recently in interventions, and what we see is that sometimes they work for a little bit

and sometimes they can make a real difference. But over the long run, the economic fundamentals will have to work themselves out. And I think that the best thing to do to stabilize the dollar and the other currencies because, as you know, in the last few years we've had some terrible problems with other currencies which massive interventions have not reversed—the best way to do that is to send a signal to the markets that we are working on the economic fundamentals; that we are trying to build the economy, not just the economy of the United States but the economy of Europe, the economy of Canada, the economy of Japan and the global economy, that we're seriously working on Central and Eastern Europe and Russia.

These things, it seems to me, together offer the promise of strengthening the dollar over the long run in a realistic way but also strengthening other currencies as well. Keep in mind what I wanted the United States to do when we drove the deficit down and we got our interest rates down for a time—very low, and they're still modest by historic standards, recent historic standards—was to be able not only to generate more jobs here in the United States, or back in the United States, but to also spark growth in Europe, Japan, and elsewhere. So what I want our trading partners to consider and some of them have already mentioned to me is, we don't want to adopt a strategy in the short run that is just a short-run strategy and could choke off growth in the other G-7 countries and in other parts of the world.

I very much want a reasonably priced dollar. I'm not for a weak dollar. We have not done this intentionally. No one has tried to talk down the dollar. But I think it's important not to overreact to these movements. We need to work on the economic fundamentals. Markets that involve some amount of speculation and calculation about the future need to, as far as possible, reflect long-term fundamentals. And that's one of the things I was encouraged about in my conversation with the Japanese Prime Minister today, when he reaffirmed his commitment to economic growth in his country, because that will help a lot.

Russia

Q. There are elements in Russia who are not happy with the current borders, and they could come to power in our lifetime. When you say that there's no gray area in Europe, are you saying that the tripwire for war for the United States is now the eastern border of Latvia, Poland, and other former Soviet satellites?

The President. I do not believe that we should be discussing the matter in those terms when Russia has recently signed an agreement to join the Partnership For Peace, which means that it has recognized the integrity of the borders of its neighbors, and when it has already signed an agreement to withdraw troops from Latvia by August 31st, has already withdrawn troops from Lithuania, and when we're on the verge of getting an agreement for withdrawal from Estonia.

It seems to me what we ought to be doing is making it clear that we support the integrity and the independence of these countries and that we have embraced them in the Partnership For Peace but that we are working toward a positive outcome. And I don't believe that it furthers the debate to conjure up a future that we hope we can avoid and that we believe we can avoid.

Economic Summit

Q. Some State Governors think that this extravaganza of the G-7 is too expensive and doesn't really produce much. Now that you're President, do you think that the personal contact is worth it, and does lead to things that affect working people?

The President. Absolutely. But let me answer you with two points, if I might. First of all, last year, we, the leaders of the G-7, agreed that the conference had become too stilted, too formal, too bureaucratic, and in a sense, too expensive. We decided to pare it back some and make it more informal. So we begin tonight with a leaders-only dinner, with no set agenda, that is not dictated by staff work and driven toward a final statement that often has been the lowest common denominator. And throughout this meeting we will have more flexibility, more informality, and I think it will work very well.

The former Prime Minister of Italy, Mr. Ciampi, very much wanted this kind of meet-

ing, and when Prime Minister Berlusconi took office, he was eager to embrace this as more consistent with his own background in business. So I think you will see that this will be the beginning of something that will become a lean and more efficient operation.

Now, secondly, does it affect Americans back home or Italians back home or Germans back home? I believe it does. If you look at what we did last year, we made a commitment, first, that we would try to finish the GATT round; we did that; second, that we would do everything we could to try to help integrate Russia and the other former Soviet republics into the mainstream of the world economy, and we are making progress on that. That has made a significant difference. And just since then, we have started working on things that world leaders never talked about with each other before, like education and training systems and how to have adaptable work forces. All these things have a direct bearing on the livelihoods of our people back home. So I think this is a very important and valuable forum. And I hope we will continue it but continue to make it as lean and efficient and as economical as possible.

Haiti

Q. President Endara complained about miscommunication. Is there any validity to that complaint, and is there not a risk that the reversal in Panama will lead peoples of the other countries you're dealing with to decide they don't want to participate, either—to put more pressure on their governments?

The President. Again, I can't comment on that. All I know is what was said to me and what was clear. But the other countries have been quite steadfast, and I think that, again, right now what we have to focus on is building a network of support for the Haitians who are entitled to protection. And that's what we're doing, and I think we'll be able to do it.

Algeria

Q. Mr. President, eight Italians have been brutally murdered in Algeria yesterday. The situation seems to be growing politically and towards instability over there. What is the position of your government toward the gov-

ernment of Algeria and towards the situation over there and towards this atmosphere?

The President. Well, we're very concerned about the developments in Algeria. When I was in France recently, the discussion of Algeria occupied a fair amount of my time with Prime Minister Balladur and with President Mitterrand. And I'm actually looking forward to having the opportunity to discuss this matter with the other G-7 leaders.

What we have hoped to do is to support the government of Algeria in its attempts to restrain terrorism and destructive and illegal conduct and still hope to help it and to find a way of accommodating legitimate forces of dissent so that a democracy, or at least a functioning government, could occur that would reduce the amount of violence and destruction there. It's a very troubling thing, particularly given Algeria's history and strategic location and its enormous potential for good in that part of the world. And I look forward to discussing it more.

Haitian Refugees

Q. Mr. President, back in 1980, as Governor, I think you learned firsthand that the refugee problem can be especially politically volatile. Does that help you appreciate a little more President Endara's decision? And how does your personal experience weigh into your deliberation now, especially given the political situation in places like Florida?

The President. Well, there were two problems with the 1980 situation in our State, which I'm very mindful of, which do not apply in this case. If you will remember, a lot of the people who were released from Cuba in 1980 had either serious mental health problems or criminal backgrounds.

And the two problems that existed there that the United States does not face now with the Haitians in any kind of general terms were that the refugees that were brought to my State, number one, weren't screened in advance, which is something that had been done with the Vietnamese refugees, for example, when we took large numbers there in our State with no problems and with open arms.

And number two, the military authorities who were charged with maintaining order denied that they had the capacity to maintain

order. So one of the things that I have done is to reassure all the leaders of the countries with whom I have talked that if they were willing to help us with the safe havens or with processing centers, depending on which country we're talking about, that they would bear no cost and that they would not have to worry about the security problems. Those are the two things that, I think, that are legitimate concerns.

Now, in Florida the main problem there is the cost problem. And since I have been President, I have worked very, very hard to increase the allocation of Federal assistance to States that have disproportionate refugee or illegal alien burdens. That's not only Florida but also California, Texas, New York, New Jersey—they are the major ones, and some other States. And we've increased that aggregate assistance by, oh, about a third, by several billion dollars since I have been in office.

Q. You said that, first of all, you referred to the lifting of the policy of direct return. Can you explain why you think it's appropriate, given the human rights deterioration that you cited in Haiti, to force people between choosing the right to political asylum in the United States and leaving Haiti? And second of all, you say your position has not changed on whether military invasion is an option, but has the deterioration and conditions in Haiti made that option more likely to pursue?

The President. I think the conduct of the military leaders will have more than anything else to do with what options are considered when. And their conduct has not been good.

Now, secondly—but let me answer the first question. What we owe the people of Haiti is safety. There is no internationally-recognized human right to go to a particular place and to have a particular response. We have increased our processing in-country. We still know that's the safest and best way to get out. And we know that people are able to get to those processing centers. We've increased our processing in-country, and as the human rights situation has deteriorated; the percentage of people in-country qualifying for refugee status has increased as based on the objective conditions in the country.

So we are still doing what we said we would do, and we are going forward. There is a limit to how much the United States or anybody else can do given the facts that now exist. We are spending a lot of money to manage this problem. We asked some of our neighbors in the hemisphere—as I said last May when I announced this policy, we asked some of our neighbors in the hemisphere to help us when we needed it, and some of them are doing so, and we are very, very grateful to them for doing that.

Thank you.

NOTE: The President's 62d news conference began at 5:30 p.m. at the Zi Teresa Restaurant.

Statement on Flooding in Alabama and Georgia and Fires in Colorado

July 8, 1994

My thoughts and prayers are with the people back home who are battling these fires and floods and especially with the families of those who have lost their lives in the disaster. I have directed all the Federal departments who can help to make their most aggressive efforts to do so.

NOTE: This statement was part of a White House announcement on disaster assistance to Alabama.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

July 1¹

The President announced his intention to nominate Roger C. Viadero as Inspector General of the Department of Agriculture.

The President announced his intention to nominate Peter J. Osetek as Commissioner

of the Office of Navajo and Hopi Indian Relocation.

The President announced his intention to appoint Don Christiansen as a member of the Utah Reclamation Mitigation and Conservation Commission.

The President declared a major disaster exists in the State of North Dakota and ordered Federal aid to supplement State and local recovery efforts in areas struck by severe storms, flooding, and ground saturation due to high water tables beginning March 5.

July 4

In the morning, the President had a telephone conversation with President Václav Havel of the Czech Republic.

In the evening, the President and Hillary and Chelsea Clinton returned to Washington, DC, from a weekend stay at Camp David, MD.

July 5

In the morning, the President had a telephone conversation with President Boris Yeltsin of Russia.

The President also had telephone conversations with President Guillermo Endara of Panama, Prime Minister Eugenia Charles of Dominica, and Prime Minister Lester Bird of Antigua and Barbuda. He also met with Ray Mabus, U.S. Ambassador-designate to Saudi Arabia.

In the evening, the President and Hillary and Chelsea Clinton traveled to Riga, Latvia.

The President announced his intention to appoint John A. Calhoun, Nancy G. Guerra, and Rose W. Washington as members of the Coordinating Council on Juvenile Justice and Delinquency Prevention.

The White House announced the President invited President-elect Ernesto Pérez Balladares of Panama to meet with him on July 20.

July 6

Following a morning arrival ceremony at Riga International Airport, the President went to Riga Castle where he attended a working luncheon with President Guntis Ulmanis of Latvia, President Algirdas Brazauskas of Lithuania, and President Lennart Meri of Estonia in the White Room.

¹ These releases were not received in time for inclusion in the appropriate issue.

In the afternoon, the President and Hillary Clinton met with Latvian political, cultural, and business leaders at the Stock Market Building. Following the reception, they went to Freedom Square, where the President met with U.S. Embassy staff from Latvia, Estonia, and Lithuania. They then traveled to Warsaw, Poland, arriving in the late afternoon.

In the evening, the President and Hillary Clinton went to the Presidential Palace. Following an arrival ceremony in the courtyard, the President met with President Lech Walesa in the Blue Room.

The President announced his intention to nominate Joel D. Valdez as a member of the National Commission on Libraries and Information Science.

The President announced his intention to nominate Marc Lincoln Marks as Commissioner of the Federal Mine Safety and Health Review Commission.

The President announced the appointment of Dwight N. Mason as Chair of the Permanent Joint Board of Defense, U.S. and Canada.

July 7

In the morning, the President and Hillary Clinton went to the Tomb of the Unknown Soldier, where the President participated in a wreath-laying ceremony. They then went to the Warsaw Ghetto, where the President participated in a wreath-laying ceremony at the memorial for the Warsaw Ghetto uprising of 1943. Following the ceremony, he met with Prime Minister Waldemar Pawlak at the Polish Parliament.

In the afternoon, the President and Hillary Clinton toured Old Town and then went to the Presidential Palace, where the President attended a reception with President Walesa and foreign ministers of Central and Eastern European nations.

In the evening, following a departure ceremony in the Presidential Palace courtyard, the President and Hillary and Chelsea Clinton greeted members of the U.S. Embassy staff at the U.S. Ambassador's residence. They then traveled to Naples, Italy. While en route aboard Air Force One, the President had telephone conversations with Gov. Roy Romer of Colorado and Gov. Zell Miller

of Georgia to express his concern for the loss of life and damage caused by fires and floods.

The President declared a major disaster exists in the State of Georgia following torrential rain, flooding, tornadoes, and high winds and ordered Federal aid to supplement State and local recovery efforts.

July 8

In the morning, the President met at the Hotel Vesuvio with Prime Minister Silvio Berlusconi of Italy and then with Prime Minister Tomiichi Murayama of Japan.

In the evening, the President met at the Hotel Vesuvio with Prime Minister Jean Chrétien of Canada. He then attended a working dinner with G-7 leaders at the Castel Dell'Ovo restaurant.

The President declared a major disaster exists in the State of Alabama and ordered Federal aid to supplement State and local recovery efforts, following severe storms and flooding caused by Tropical Storm Alberto.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted July 1¹

Dennis H. Blome,
of Iowa, to be U.S. Marshal for the Northern District of Iowa for the term of 4 years, vice James P. Jonker, term expired.

Stuart L. Brown,
of Maryland, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service), vice Abraham N.M. Shashy, Jr., resigned.

¹ These nominations were not received in time for inclusion in the appropriate issue.

Daniel C. Dotson, of Utah, to be U.S. Marshal for the District of Utah for the term of 4 years, vice Eugene H. Davis, term expired.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released July 1²

Transcript of a press briefing by Press Secretary Dee Dee Myers

Announcement of nomination for Treasury Department Assistant General Counsel

Released July 5

Statement by Press Secretary Dee Dee Myers on the President's meeting with Ambassador-designate to Saudi Arabia Ray Mabus

Statement by Press Secretary Dee Dee Myers on the President's telephone conversations with President Guillermo Endara of Panama, Prime Minister Eugenia Charles of Dominica, and Prime Minister Lester Bird of Antigua and Barbuda

Transcript of a press briefing by Special Adviser to the President William Gray III on Haiti

Released July 6

Statement by Press Secretary Dee Dee Myers on support for cleanup of a nuclear training site in Estonia

Statement by Press Secretary Dee Dee Myers on U.S. dismantlement assistance for the Skrunda radar site

Statement by Press Secretary Dee Dee Myers on the US West-Lithuania telecommunications project

Statement by Press Secretary Dee Dee Myers on the U.S.-Latvian bilateral trade agreement

Fact sheet on U.S. economic assistance to the Baltic States

Statement by Press Secretary Dee Dee Myers on expanded military and defense cooperation with the Baltic States

Statement by Press Secretary Dee Dee Myers on the U.S. trade and investment mission to the Baltics

Statement by Press Secretary Dee Dee Myers on the Romanian-American Enterprise Fund

Transcript of remarks by President Lech Walesa at a dinner honoring President Clinton

Announcement of nomination for U.S. Marshal for the Northern District of Alabama

Released July 7

Announcement of the entrepreneurial micro-lending program with the Polish Government

Announcement on support for Poland's mass privatization program

Announcement on the formation of the Poland Partners Fund

Announcement on stimulating housing production in Poland

Announcement on social sector restructuring in Poland

Announcement on democracy and law: law enforcement training (Central and Eastern Europe)

Announcement on the Polish reemployment fund

Announcement on support for partnership initiatives in the Partnership For Peace

White House statement on the President's initiatives in Poland

Released July 8

Transcript of a press briefing by Labor Secretary Robert Reich on the economy

Transcript of an exchange with reporters by U.S. Ambassador to Italy Reginald Bartholomew on the economic summit

² These releases were not received in time for inclusion in the appropriate issue.

Statement by Press Secretary Dee Dee Myers announcing that the President's special representative, Ambassador Melissa Wells, will continue her efforts assisting the peace process and humanitarian relief in the Sudan

**Acts Approved
by the President**

***Approved July 1*¹**

S. 1904 / Public Law 103-271
Board of Veterans' Appeals Administrative Procedures Improvement Act of 1994

Approved July 5

H.R. 1758 / Public Law 103-272
To revise, codify, and enact without substantive change certain general and permanent laws, related to transportation, as subtitles II, III, and V-X of title 49, United States Code, "Transportation", and to make other technical improvements in the Code

¹ This act approved was not received in time for inclusion in the appropriate issue.

H.R. 2559 / Public Law 103-273
To designate the Federal building located at 601 East 12th Street in Kansas City, Missouri, as the "Richard Bolling Federal Building" and the United States Courthouse located at Ninth and Locust Streets, in Kansas City, Missouri, as the "Charles Evans Whitaker United States Courthouse"

H.R. 3724 / Public Law 103-274
To designate the United States courthouse located in Bridgeport, Connecticut, as the "Brien McMahon Federal Building"

H.R. 4568 / Public Law 103-275
Making supplemental appropriations for the Department of Housing and Urban Development for the fiscal year ending September 30, 1994, and for other purposes

H.R. 4581 / Public Law 103-276
To provide for the imposition of temporary fees in connection with the handling of complaints of violations of the Perishable Agricultural Commodities Act, 1930

H.R. 4635 / Public Law 103-277
To extend the Export Administration Act of 1979

H.R. 1183 / Private Law 103-2
Railroad Right-of-Way Conveyance Validation Act